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1945/46

Dominion subsidies to
provinces, including other
transfers; reference book.

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DOMINION SUBSIDIES TO PROVINCES

INCLUDING OTHER TRANSFERS

**REFERENCE BOOK
FOR
DOMINION-PROVINCIAL CONFERENCE
ON RECONSTRUCTION**

Gov. Doc Canada, Dominion-Provincial Conference
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**REFERENCE BOOK
FOR
DOMINION-PROVINCIAL CONFERENCE
ON RECONSTRUCTION**



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FOREWORD

This reference book is intended to provide a descriptive, factual summary of the various types of subsidies, subventions and grants-in-aid by Dominion to provincial governments as a convenient source of material for further consideration of this subject or relevant proposals.

In the preparation of this material considerable use has been made of the Study "Dominion-Provincial Subsidies and Grants" prepared by Messrs. Wilfred Eggleston and C. T. Kraft for the Royal Commission on Dominion-Provincial Relations.

The present reference book has been compiled under the direction of the Secretariat of the Cabinet Committee on Dominion-Provincial Relations.

PART I

GENERAL REVIEW

1. STATUTORY SUBSIDIES

The original subsidies provided for in the British North America Act, 1867,² were intended to be (with certain minor exceptions) limited in scope and fixed for all time. Actually, they have undergone considerable change both as to nature and amount. These original subsidies were:

1. Per capita subsidy.
2. Grant in support of government.
3. An addition to or deduction from the above subsidies representing interest at 5 per cent per annum on the debt allowance less debt assumed.
4. Special grant (New Brunswick only).

In addition to these, further subsidies were introduced from time to time, covering special circumstances, as follows:

1. Grant in lieu of lands.
2. Grant in lieu of timber duties (New Brunswick).
3. Special subsidies for specific circumstances.

PER CAPITA SUBSIDY

This grant was first computed, for the four original provinces, at 80c per head of population (1861 Census), but rising in the case of Nova Scotia and New Brunswick according to the increase in population as disclosed by each decennial census until each should have attained a population of 400,000.³

In 1907 the limitation was removed, and the subsidy was paid in all provinces at the rate of 80c per head up to 2,500,000 and 60c per head for any excess, the subsidy increasing at each decennial census. For the three Prairie provinces, the subsidy increased at each quinquennial census with estimates of increase at the mid-point between censuses; this estimate was later dropped but the five-year period of adjustment still remains. No other major changes have been made to date.

GRANT IN SUPPORT OF GOVERNMENT AND LEGISLATURE

The per capita grants outlined above, and originally decided upon at the Quebec Conference in 1864, were augmented by the London Conference two years later by the addition of flat subsidies for the support of the provincial governments and legislatures. The amounts originally decided upon and incorporated in the British North America Act, 1867⁴ were as follows:

Ontario	\$80,000
Quebec	70,000
Nova Scotia	60,000
New Brunswick	50,000

The amounts established for the remaining provinces at the time of their entry into the union were—

Manitoba—July 1, 1870.....	\$30,000
British Columbia—July 1, 1871.....	35,000
Prince Edward Island—July 1, 1873.....	30,000
Alberta—September 1, 1905.....	50,000
Saskatchewan—September 1, 1905.....	50,000

The subsidy to Manitoba was increased in 1882 to \$50,000. In 1907 the subsidies were generally revised, the new scale established being as follows:⁵

Population less than 150,000 souls.....	\$100,000
150,000 to 200,000.....	150,000
200,000 to 400,000.....	180,000
400,000 to 800,000.....	190,000
800,000 to 1,500,000.....	220,000
over 1,500,000.....	240,000

No further changes have been made in the amounts paid other than automatic increases through increases in population.

DEBT ALLOWANCE

At the time of Confederation, all provincial debts (together with most of the assets) were assumed by the Dominion. In keeping with the principle of equal treatment, a method of "debt allowances" was evolved whereby the provinces with relatively lower debt would benefit accordingly. The debt of Nova Scotia and New Brunswick was calculated to be roughly \$25 per capita and this figure was set as the basis for the debt allowance (except for New Brunswick where a figure of \$27.77 per capita was used). An allowance in round figures was settled upon for each province on the basis of these per capita amounts; the provinces were to receive 5 per cent per annum on the sum by which their actual debt fell short of their allowance, and to pay 5 per cent on the sum by which it exceeded it. The debt allowances and the debt assumed, for each province, was as follows:—

	Allowance	Assumed
	\$000	\$000
Ontario and Quebec ⁶	62,500	72,062
Nova Scotia ⁶	8,000	8,731
New Brunswick ⁶	7,000	7,793
Manitoba ⁷ —July 1, 1870.....	472	nil
British Columbia ⁸ —July 20, 1871.....	1,666	1,000
Prince Edward Island ⁸ —July 1, 1873.....	4,701	4,099
Alberta ⁹ —September 1, 1905.....	8,100	nil
Saskatchewan ⁹ —September 1, 1905...	8,100	nil

After some negotiations concerning the proportions of the excess debt to be assumed by the provinces of Ontario and Quebec, the Dominion itself assumed the excess in 1873 and made a general upward revision of the debt allowances for all four of the original provinces.⁹ In 1869 the debt allowance for Nova Scotia had been placed on the same basis as New Brunswick; i.e., \$27.77 per capita.¹⁰ The revision of 1873 was eventually (in 1884) made retroactive to 1867, the resulting interest credits being added to the respective debt allowances.¹¹

⁶ See Creighton, D. C., *British North America at Confederation*, Appendix, Table V.

⁷ Eggleston and Kraft, *Dominion-Provincial Subsidies and Grants*, page 132.

⁸ Ibid., pp. 152 and 163.

⁹ 36 Victoria, Chapter 30.

¹⁰ 32-33 Victoria, Chapter 3.

¹¹ 47 Victoria, Chapter 4.

² 30 Vic. cap. 3, ss. 112, 114-116, 118, 119.

³ Ibid., sec. 118.

⁴ Ibid., sec. 118.

⁵ 7 Ed. VII, c. 11.

The only other adjustments made in debt allowances were the increases granted Manitoba in 1885, 1898 and 1912.¹²

INTERIM SUBSIDIES AND SPECIAL GRANTS

The first of these grants was that accorded to New Brunswick at the time of Confederation, viz. \$63,000 per year for ten years.¹³ A grant of \$83,000 per year for ten years was extended to Nova Scotia two years later.¹⁴ Subsidies were granted to certain provinces as compensation for public lands retained or assumed by the Dominion, as follows:—

British Columbia — July 1, 1871.....	\$100,000
Prince Edward Island — July 1, 1873.....	45,000
(reduced by subsequent withdrawals)	
Manitoba — 1882.....	45,000 ¹⁵
Alberta — September 1, 1905.....	375,000 ¹⁶
Saskatchewan — September 1, 1905.....	375,000 ¹⁷

An increase was granted to Manitoba in 1885 raising this item to \$100,000, and in 1912 to \$409,000.¹⁸

The Province of New Brunswick was granted a subsidy of \$150,000 a year in 1873, at the time of the negotiations between the Dominion and the United States which led to the Washington Treaty, as compensation for the surrender of the right to levy a duty on the export of lumber.¹⁹ Other interim subsidies or special grants were as follows:—

Amount	Statute
Prince Edward Island — additional annual grant. \$ 20,000	50-51 Vic. c. 8, 1887
Prince Edward Island — additional annual grant. 30,000	1 Ed. VII c. 3, 1901
Alberta and Saskatchewan —grant for buildings, 5 years only — each 93,700	4-5 Ed. VII c. 3, c. 42, 1905
Prince Edward Island — special grant 100,000	2 Geo. V c. 42, 1912
1927 — Duncan Commission awards—	
Prince Edward Island	\$ 125,000
Nova Scotia	875,000
New Brunswick	600,000

¹² 48 Victoria, Chapter 50; 61 Victoria, Chapter 4; 2 George V, Chapter 32. The latter was made effective from 1908.

¹³ B.N.A. Act, Section 119.

¹⁴ 32-33 Victoria, Chapter 3.

¹⁵ 45 Victoria, Chapter 5.

¹⁶ 4-5 Edward VII, Chapter 3.

¹⁷ 4-5 Edward VII, Chapter 42.

¹⁸ 48 Victoria, Chapter 50.

¹⁹ 36 Victoria, Chapter 41.

1934 — British Columbia — Special interim subsidy	\$ 750,000
1935 — White Commission awards, replacing those of Duncan Commission (1927)—	
Prince Edward Island	275,000
Nova Scotia	1,300,000
New Brunswick	900,000
1937 — Manitoba — special interim subsidy....	750,000
Saskatchewan — special interim subsidy.	3,500,000
1939 — Saskatchewan special interim subsidy reduced to	1,500,000
1945 — Proposed special interim subsidy to Alberta, for the years 1937 to 1940 — per year	600,000

The White Commission subsidies and the special interim subsidies to Manitoba, Saskatchewan and Alberta were discontinued in 1941 at the time of the Dominion-Provincial Tax Suspension Agreement, and the following subsidies for loss of revenue and fiscal need were instituted:²⁰

Province	Loss of revenue	Fiscal need	Total
Prince Edward Island...	\$262,174	175,000	437,174
Nova Scotia.....	325,769	.....	325,769
New Brunswick.....	71,493	300,000	371,493
Manitoba.....	.....	600,000	600,000
Saskatchewan.....	.....	1,500,000	1,500,000

These subsidies are dealt with at greater length and more properly belong in the discussion of the Tax Suspension Agreement at section 3 of this Part.

CHRONOLOGY

Details of subsidies paid in selected years are presented in Part II. A Table is now submitted showing in chronological order the various amendments and adjustments made to the statutory subsidies.

²⁰ Statutes of 1942, Chapter 13.

CHRONOLOGY OF ORIGIN OF AND INCREASES IN STATUTORY AND INTERIM SUBSIDIES

Year	Particulars	Legislative reference																																			
1867	Four provinces form Dominion. Subsidies paid:— <table><tr><th>Province</th><th>Population</th><th>Government and Legislation</th><th>Special</th><th>Total</th></tr><tr><td></td><td>\$000</td><td>\$000</td><td>\$000</td><td>\$000</td></tr><tr><td>Ontario.....</td><td>1,116</td><td>80</td><td>.....</td><td>1,196</td></tr><tr><td>Quebec.....</td><td>890</td><td>70</td><td>.....</td><td>960</td></tr><tr><td>Nova Scotia.....</td><td>264</td><td>60</td><td>.....</td><td>324</td></tr><tr><td>New Brunswick.....</td><td>202</td><td>50</td><td>63</td><td>315</td></tr><tr><td></td><td>2,472</td><td>260</td><td>63</td><td>2,795</td></tr></table> <p>Debt allowance set at \$25 per capita, except New Brunswick where the rate was \$27.77. Interest at 5% paid by the Dominion to Maritimes on deficiency, and by Ontario and Quebec to the Dominion on the excess.</p>	Province	Population	Government and Legislation	Special	Total		\$000	\$000	\$000	\$000	Ontario.....	1,116	80	1,196	Quebec.....	890	70	960	Nova Scotia.....	264	60	324	New Brunswick.....	202	50	63	315		2,472	260	63	2,795	30 Vic. c. 3
Province	Population	Government and Legislation	Special	Total																																	
	\$000	\$000	\$000	\$000																																	
Ontario.....	1,116	80	1,196																																	
Quebec.....	890	70	960																																	
Nova Scotia.....	264	60	324																																	
New Brunswick.....	202	50	63	315																																	
	2,472	260	63	2,795																																	
1869	Special grant to Nova Scotia of \$83,000 per year for ten years, and debt allowance increased to \$27.77 per capita.	32-33 Vic. c. 3																																			
1870	Manitoba enters Confederation. Subsidies paid:— <table><tr><td>Population.....</td><td>\$ 13,600</td></tr><tr><td>Government.....</td><td>30,000</td></tr><tr><td>Debt allowance.....</td><td>23,604</td></tr><tr><td></td><td><u>\$ 67,204</u></td></tr></table>	Population.....	\$ 13,600	Government.....	30,000	Debt allowance.....	23,604		<u>\$ 67,204</u>	33 Vic. c. 3																											
Population.....	\$ 13,600																																				
Government.....	30,000																																				
Debt allowance.....	23,604																																				
	<u>\$ 67,204</u>																																				
1871	British Columbia enters Confederation. Subsidies paid:— <table><tr><td>Population.....</td><td>\$ 48,000</td></tr><tr><td>Government.....</td><td>35,000</td></tr><tr><td>Debt allowance (net).....</td><td>31,000</td></tr><tr><td>Subsidy for lands.....</td><td>100,000</td></tr><tr><td></td><td><u>\$214,000</u></td></tr></table>	Population.....	\$ 48,000	Government.....	35,000	Debt allowance (net).....	31,000	Subsidy for lands.....	100,000		<u>\$214,000</u>	Order in Council																									
Population.....	\$ 48,000																																				
Government.....	35,000																																				
Debt allowance (net).....	31,000																																				
Subsidy for lands.....	100,000																																				
	<u>\$214,000</u>																																				
1873	Prince Edward Island enters Confederation. Subsidies paid:— <table><tr><td>Population.....</td><td>\$ 75,217</td></tr><tr><td>Government.....</td><td>30,000</td></tr><tr><td>Debt allowance*.....</td><td>130,625</td></tr><tr><td>Subsidy for lands**.....</td><td>45,000</td></tr><tr><td></td><td><u>\$280,842</u></td></tr></table>	Population.....	\$ 75,217	Government.....	30,000	Debt allowance*.....	130,625	Subsidy for lands**.....	45,000		<u>\$280,842</u>	Order in Council																									
Population.....	\$ 75,217																																				
Government.....	30,000																																				
Debt allowance*.....	130,625																																				
Subsidy for lands**.....	45,000																																				
	<u>\$280,842</u>																																				
1873	Debt allowance generally revised upward (except P.E.I.) by Dominion assumption of excess debt of Ontario and Quebec.	36 Vic. c. 30																																			
1873	Subsidy granted to New Brunswick in lieu of lumber export duty, \$150,000.	36 Vic. c. 41																																			
1876	Manitoba population subsidy increased in anticipation of 1881 Census, by \$26,500.	39 Vic. c. 3																																			
1877	Special grants to Nova Scotia and New Brunswick expire.	—																																			

*Reduced by withdrawals to \$39,645 in 1883.

**Reduced by withdrawals to \$7,601 in 1884.

CHRONOLOGY OF ORIGIN OF AND INCREASES IN STATUTORY AND INTERIM SUBSIDIES—*Con.*

Year	Particulars	Legislative reference									
1879	Manitoba population subsidy further increased, by \$15,900.	42 Vic. c. 2									
1882	Manitoba subsidies increased as follows:— Population.....from \$13,600 to \$120,000 Government.....from 30,000 to 50,000 Lands.....from nil to 45,000	45 Vic. c. 5									
1884	Debt allowance revision of 1873 reverted to 1867, increasing debt allowances by approximately \$1.70 per capita.	47 Vic. c. 4									
1885	Manitoba subsidies increased as follows:— Lands.....from \$45,000 to \$100,000 Debt allowance.....from 23,604 to 173,075*	48 Vic. c. 50									
1887	Additional annual grant of \$20,000 to Prince Edward Island.	50-51 Vic. c. 8									
1898	Manitoba debt allowance adjusted, 1885 to 1898.	61 Vic. c. 4									
1901	Additional annual grant of \$30,000 to Prince Edward Island.	1 Ed. VII c. 3									
1905	Provinces of Alberta and Saskatchewan created. Subsidies paid each:— Population.....\$ 200,000 Government.....50,000 Debt allowance.....405,375 Lands.....375,000 Buildings (5 years only).....93,700 <u>\$1,124,075</u>	4-5 Ed. VII, c. 3 and c. 42									
1907	General subsidy revisions, as follows:— <table border="1"> <thead> <tr> <th>Subsidy</th><th>Old basis</th><th>New basis</th></tr> </thead> <tbody> <tr> <td>Population</td><td>80c. per head, with limitation on total</td><td>80c. per head, up to a population of 2,500,000, and 60c. per head for the excess.</td></tr> <tr> <td>Government.....</td><td>Varying amounts.....</td><td> Less than 150M souls — \$100,000 150M to 200M — 150,000 200M to 400M — 180,000 400M to 800M — 190,000 800M to 1,500M — 220,000 Over 1,500M — 240,000 </td></tr> </tbody> </table> Special grant to British Columbia—\$100,000 for ten years.	Subsidy	Old basis	New basis	Population	80c. per head, with limitation on total	80c. per head, up to a population of 2,500,000, and 60c. per head for the excess.	Government.....	Varying amounts.....	Less than 150M souls — \$100,000 150M to 200M — 150,000 200M to 400M — 180,000 400M to 800M — 190,000 800M to 1,500M — 220,000 Over 1,500M — 240,000	7 Ed. VII, c. 11
Subsidy	Old basis	New basis									
Population	80c. per head, with limitation on total	80c. per head, up to a population of 2,500,000, and 60c. per head for the excess.									
Government.....	Varying amounts.....	Less than 150M souls — \$100,000 150M to 200M — 150,000 200M to 400M — 180,000 400M to 800M — 190,000 800M to 1,500M — 220,000 Over 1,500M — 240,000									
1912	Special grant to Prince Edward Island of \$100,000 per year.....	2 Geo. V c. 42									
1912	Manitoba grants revised, as follows (effective 1908):— Lands, from.....\$100,000 to \$409,000 Debt allowance, from.....178,947 to 381,584	2 Geo. V c. 32									

*Reduced by withdrawals to \$165,596 by 1887.

CHRONOLOGY OF ORIGIN OF AND INCREASES IN STATUTORY AND INTERIM SUBSIDIES—*Cont.*

Year	Particulars	Legislative reference
1927	Duncan Commission recommends following interim subsidies:— Prince Edward Island.....\$125,000 Nova Scotia.....875,000 New Brunswick.....600,000	Approved and paid annually.
1934	Special interim subsidy of \$750,000 to British Columbia.....	Approved and paid annually.
1935	White Commission recommends following subsidies, replacing Duncan Commission awards:— Prince Edward Island.....\$ 275,000 Nova Scotia.....1,300,000 New Brunswick.....900,000	Approved and paid annually.
1937	Special interim subsidy of \$750,000 to Manitoba.....	Approved and paid annually
1937	Special interim subsidy of \$3,500,000 to Saskatchewan.....	Approved and paid in 2 years
1939	Special interim subsidy of \$1,500,000 to Saskatchewan.....	Approved and paid in 2 years
1941	All interim subsidies and special grants terminated under the Dominion-Provincial Tax Suspension Agreement; replaced by the following fiscal need subsidies and compensation for loss of revenue:— Prince Edward Island.....\$ 437,174.02 Nova Scotia.....325,769.31 New Brunswick.....371,493.30 Manitoba.....600,000.00 Saskatchewan.....1,500,000.00	6 Geo. VI c. 13

The last Table to be presented in this Part shows, in chronological order, financial adjustments between the Dominion and the various provinces which are only

indirectly related to statutory subsidies but which of themselves in some cases removed the grounds for increases in or adjustments to such subsidies.

CHRONOLOGY OF FINANCIAL ADJUSTMENTS BETWEEN THE DOMINION AND PROVINCES
INDIRECTLY RELATED TO SUBSIDIES

Year	Subject	Settlement	Legislative reference
1874	Esquimault Dock.....	\$250,000 grant.....	37 Vic. c. 17
1875	Construction of railway to B.C.....	Section of railroad on Vancouver Island authorized (but defeated in Senate), surveying parties increased; \$2,000,000 per year to be spent on C.P.R. to be completed by January 1891.....	—
1876	Manitoba School Lands revenues.....	Management assumed by Dominion; interest on sums realized from sales paid to Province.....	39 Vic. c. 3
1878	Manitoba School Lands revenues.....	\$10,000 per annum advanced from sale of school land.....	41 Vic. c. 13
1879	Railway stores and supplies surrendered by Nova Scotia.....	Interest of \$33,000 allowed for 1867 to 1879..	—
1880	Esquimault Dock.....	\$250,000 grant.....	43 Vic. c. 15
1882	Claim by Maritimes for share in Halifax Award.....	Annual expenditure by Dominion of \$150,000 to encourage the development of deep-sea fisheries and the building of fishing vessels.	45 Vic. c. 18
1882	Manitoba School Lands revenues.....	\$30,000 advanced from sale of school land....	47 Vic. c. 7
1884	Communication between Prince Edward Island and mainland.....	Additional steamer put into service. (Subsequent subsidies also recognized this claim)	
1884	Quebec railway subsidies.....	Added to debt allowance.....	47 Vic. c. 8
1884	Excess expenditure by New Brunswick on Eastern Extension Railway.....	\$150,000 excess cost paid by Dominion.....	—
1884	Esquimault Dock.....	Additional grant of \$134,500; dock taken over by Dominion.....	47 Vic. c. 6
1884	British Columbia land grant.....	Province assigned to Dominion 3,500,000 acres in Peace River area; Dominion subsidy of \$750,000 to Vancouver Island Railway in return for 1,900,000 acres of land for line from Nanaimo to Esquimault.....	47 Vic. c. 6
1888	Expenditure by Nova Scotia on piers and wharves.....	\$72,000 refunded by Dominion.....	—
1888	Nova Scotia railway subsidies.....	\$672,000 arbitration award paid to private contractors.....	—
1898	Expenditure on Manitoba public buildings charged against debt allowance.....	\$267,000 restored to debt allowance, together with \$232,000 interest from 1885-1898....	61 Vic. c. 4
1900	Interest on excess railway cost (New Brunswick— <i>See</i> 1884).....	Interest paid by Dominion from 1867 to 1900.	—

CHRONOLOGY OF FINANCIAL ADJUSTMENTS BETWEEN THE DOMINION AND PROVINCES—*Conc.*

Year	Subject	Settlement	Legislative reference
1911	Better terms for British Columbia.....	Commission of Inquiry appointed, but never functioned.....	Order in Council
1912	Manitoba land subsidy.....	Lump sum paid in 1913, totalling \$2,250,000 representing net annual subsidy less amounts already paid and interest on sale of certain lands, plus \$203,000 interest on debt allowances, 1908-1912.....	2 Geo. V, c. 3
1913-14	Expenditure on Manitoba public buildings..	Adjusted to parity with Saskatchewan and Alberta by payment of \$202,000.....	—
1927	Maritime freight rates.....	20% reduction in freight rates to Maritimes (recommended by Duncan Commission)...	—
1930	British Columbia lands.....	Unalienated land returned; land subsidy continued.....	20-21 Geo. V, c. 37
1930	Manitoba lands.....	Royal Commission appointed; lump sum payment made, and land subsidy continued...	20-21 Geo. V, c. 29
1930	Alberta and Saskatchewan.....	Royal Commissions appointed; recommended lump sum payment of \$5,000,000 to each province; refused by Saskatchewan, and not yet accepted by Alberta.....	—

2. SUBVENTIONS AND GRANTS-IN-AID

CONDITIONAL GRANTS

In 1912, a new series of Dominion grants was commenced. Dominion revenues had grown and the demand for new governmental services had kept pace, but many of these services were in fields under the jurisdiction of the provincial governments who did not possess the necessary financial resources. The Dominion therefore instituted the system of conditional grants whereby the provinces organized the required services and the Dominion provided a portion of the necessary funds. Briefly, the system consisted of parallel legislation by the Dominion and provincial parliaments, the broad outlines of the aims and the methods of disbursing the funds being laid down by the Dominion.

As an example, the arrangements made for the payment of old age pensions and pensions for the blind may be cited. The Old Age Pensions Act, 1927, provided for the payment to any province entering into an agreement with the Dominion of 50% of the cost of old age pensions paid under conditions specified in the Dominion legislation. Provincial authorities were responsible for the administration and relative costs. Pensions for the blind were introduced later, and the Dominion's share of the cost of both pensions was raised to 75%. During

the war, additional payments have been made by the provinces and the Dominion, in the form of cost of living bonuses, authorized in the latter case by Orders in Council passed under the provisions of the War Measures Act.

RELIEF

The onset of the depression in the early 1930's introduced an entirely new concept into Dominion-Provincial financial relations. The huge relief expenditures necessarily assumed by municipalities and provinces rapidly exhausted their financial resources. Aid was forthcoming from the Dominion in a variety of ways; i.e., by cash subventions, Dominion assumption of certain classes of expenditure either in whole or in part, Dominion guarantee of provincial borrowings, and by Dominion advances to the provinces for their shares of the relief burden. At first the Dominion payments were for (a) works to provide employment or (b) direct relief, but later they included agricultural relief and rehabilitation, the care of transients, the placing of unemployed persons on farms, agricultural settlement, training camps and other projects.

Expenditures of this type vary considerably in nature from the conditional grants referred to above, inasmuch as the total amount of the annual appropriation, the

extent of the Dominion contribution and the nature of the authorized expenditures varied from province to province.

In the statistics prepared for the use of the Dominion-Provincial conference, payments of this nature have been divided according to the service per-

formed, e.g., expenditures under the Youth Training Agreements are classified as "Education", although this type of activity was commenced as a relief measure.

The following Table shows the extent of the Dominion contributions to the various relief and related projects in the years 1933, 1937, 1939, 1941 and 1943:

DOMINION CONTRIBUTIONS TO RELIEF AND RELATED PROJECTS

(Thousands of dollars)

	1933	1937	1939	1941	1943
UNEMPLOYMENT AND AGRICULTURAL RELIEF:					
Direct relief—provincial.....	21,519	20,263	15,496	605	110
—municipal.....	2,076	12,346	5,306		
Relief works—municipal.....	200	132	469	6	
Seed grain and seeding.....	742		200		
Livestock maintenance.....		9,821	708		
Settlers' establishment and assistance.....	163	531	666	221	61
Fishermen's relief.....		95	139	1	
Farm improvement and employment.....		1,081	177		
Marginal areas.....		1,014			
Single, homeless and unemployed.....	578		315		
Transients.....	119		11		
Other.....	3	2	43	37	6
	25,400	45,285	23,530	870	177
OTHER:					
Youth training and vocational education.....	115	339	1,135	*	*
Mine apprentice project (Nova Scotia).....		38	43		
National Forestry Programme.....			97		
Relief works—provincial.....	3,204	5,961	5,578	828	124
	28,719	51,623	30,383	1,698	301

* Transferred to "War" after 1939.

Advances to the provinces on relief account, and Dominion guarantees of provincial borrowings as at March 31, 1938 are summarized in the following Table:

RELIEF ADVANCES AND GUARANTEES AS AT MARCH 31, 1938

(Thousands of dollars)

Province	Treasury Bills	Guarantees	Total
Manitoba.....	22,285*		22,285
Saskatchewan.....	48,437*	9,447	57,884
Alberta.....	26,079		26,079
British Columbia.....	33,087		33,087
Total.....	129,888	9,447	139,335

SPECIAL WAR EXPENDITURES

This class of expenditure has been increased during the present emergency by the addition of special war-time expenditures, authorized substantially by Orders in Council passed under the War Measures Act. These expenditures include greatly increased appropriations for youth training and vocational and technical educa-

tion, special agricultural incentives looking to the encouragement of certain lines of production and the better distribution of the product, and a substantial inter-governmental transfer of funds for the rental of buildings leased for war purposes to the Dominion Government. The following Table summarizes these expenditures for the years 1939, 1941, and 1943.

DOMINION CONTRIBUTIONS TO SPECIAL WAR EXPENDITURES

(Thousands of dollars)

	1939	1941	1943
War emergency and youth training.....		5,649	4,734
Special agricultural incentives.....		177	410
Air raid precautions.....		7	115
Day nurseries.....			101
Evacuee children.....		45	49
Interned enemy aliens and military prisoners.....	2		14
Other expenditures reimbursed, including rental of buildings.....	173	264	244
	175	6,142	5,667

* Excluding Treasury Bills written off by the Dominion: Manitoba, 805; Saskatchewan, 17,682.

SUMMARY

The following tabulation lists all the major types of subventions and grants-in-aid, showing the general nature of the activity, the relative Dominion statute reference, the basis of the apportionment of funds between the provinces, and the required provincial matching expenditure.

SUMMARY OF SUBVENTIONS AND GRANTS-IN-AID

A. OLD AGE PENSIONS, AND PENSIONS FOR THE BLIND

Statute	Basis of Apportionment	Provincial Matching Expenditure
1927, C. 35 1931, C. 42 Orders in Council P.C. 6367, Aug. 10, 1943. P.C. 3377, May 29, 1944.	50% of pensions. 75% of pensions. 75% of special war-time increases.	Balance of cost plus administration charges.

B. RELIEF AND RELATED PROJECTS:

Unemployment and agricultural relief

1930, C. 1 1931, C. 58 1932, C. 36 1933, C. 18 1934, C. 15 1935, C. 13 1936, C. 15 1937, C. 44 1938, C. 25 1939, C. 26 1940, C. 23	No uniform basis.	Varied.
--	-------------------	---------

Youth Training

1939, C. 35	In proportion to provincial expenditure.	Equal to grant.
-------------	--	-----------------

National Forestry Program

1939, C. 26	As for relief, above	
-------------	----------------------	--

C. SPECIAL WAR EXPENDITURES:

War Emergency Training (Canadian Vocational Training)

Statute	Basis of Apportionment	Provincial Matching Expenditure
Orders in Council: P.C. 4506, Sept. 11, 1940. P.C. 3644 to 3651 inc., May 4, 1942. P.C. 2692, April 17, 1944. P.C. 5103, July 3, 1944.	100% of cost.	Province provides facilities free of charge.

Youth Training and Rehabilitation Training

1942, C. 34	100% of cost	None
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Physical Fitness Program⁽¹⁾

1943, C. 29	Per capita	At least 50%
-------------	------------	--------------

Limestone Policy

Order in Council P.C. 2/2340 March 24, 1943.	Provincial expenditures in 1942.	100% up to 1942 total; 50% of excess over twice 1942 total.
--	----------------------------------	---

Wool Marketing Bonus

Orders in Council: P.C. 1/2519, March 29, 1943. P.C. 2/1000, Feb. 18, 1944.	Wool delivered to Registered Wool Warehouses.	At least 50%.
---	---	---------------

Recruiting and Transportation of Farm Workers

Orders in Council: P.C. 3620, May 4, 1943. P.C. 6549, Aug. 17, 1943. P.C. 3492, May 12, 1944. P.C. 6301, Aug. 9, 1944.	Prairie provinces only, as required.	Administration, plus approximately 50% of other costs except inter-provincial transportation.
--	--------------------------------------	---

⁽¹⁾ Not yet operative

SUMMARY OF SUBVENTIONS AND
GRANTS-IN-AID—*Conc.*

Recreational Facilities for War Workers

Statute	Basis of Apportionment	Provincial Matching Expenditure
Order in Council P.C. 4703, June 8, 1943.	Not stated	Not stated.

Pre-matriculation Training for Dischargees

Order in Council P.C. 9471, Feb. 1, 1945.	(¹)	
---	------------------	--

D. OTHER:
Agricultural Instruction(²)

1913, C. 5.	\$20,000 annually to each Province and to veterinary colleges; balance per capita.	Grant "not to be used to curtail customary expenditures".
-------------	--	---

Employment Service

1918, C. 21. 1920, C. 25.	In proportion of individual provincial expenditures to total.	At least 50%.
------------------------------	---	---------------

Highways

1919, C. 54. 1923, C. 4. 1925, C. 4.	\$80,000 annually to each Province; balance per capita.	Not less than 60%.
--	---	--------------------

Technical Education

1919, C. 73. 1920, C. 20. 1929, C. 8. 1934, C. 9.	\$10,000 annually to each Province, balance per capita.	Equal to grant.
--	---	-----------------

Venereal Disease Control

Annual votes.	Population.	Equal to grant.
---------------	-------------	-----------------

Vocational Training at Secondary School Level(¹)

Order in Council P.C. 1648, March 8, 1945.	\$10,000 to each Province except P.E.I. \$5,000; balance per capita of population aged 15-19.	50% of cost.
--	---	--------------

(¹) Not yet operative.

(²) The Agricultural Aid Act of 1912 provided \$500,000 as a conditional grant, but was replaced by the above in 1913.

3. TAX AGREEMENTS

One additional class of payment has been introduced during the present war, to compensate the provinces for the loss or surrender of certain revenues. On April 29, 1941, the Honourable J. L. Ilsley, Minister of Finance, proposed to the provinces that they surrender to the Dominion for the duration of the war and for one year thereafter the right to levy income and corporation taxes. In return, he offered payments as follows:

1. The greater of
 - (a) the revenues actually received from those sources during the fiscal year ended nearest to December 31, 1940; or
 - (b) the cost of the net debt service, less succession duties received, in the same fiscal year.
2. A fiscal need subsidy, where the necessity was demonstrated.

Under these agreements, signed by all provinces, all previous interim or special subsidies were discontinued, four provinces took the "debt" option, and five provinces were paid fiscal need subsidies or compensation for loss of revenues.*

The following Table summarizes the payments under these agreements for the fiscal years ended nearest to December 31, 1943:

DOMINION PAYMENTS UNDER
TAX SUSPENSION AGREEMENTS

1943

(Thousands of dollars)

GRANT EQUIVALENT TO:

Income and corporation taxes suspended:	
Provincial	73,227
Municipal	3,913
	<hr/>
	77,140
Excess of debt charges over taxes suspended	5,800
	<hr/>
	82,940

FISCAL NEED SUBSIDIES:

Compensation for loss of revenue:	
Interim subsidies	2,475
Less excess of debt charges, as above	1,816
	<hr/>
	659
Additional subsidies	2,575
	<hr/>
	3,234
	<hr/>
	86,174

Deduct:

Collections and refunds, net:	
Provinces	696
Municipalities	nil
Payments to municipalities	3,943
	<hr/>
	4,639
	<hr/>
	81,535

Incidental to the tax agreements, the Dominion guaranteed provincial gasoline tax revenues at the

*Although the Alberta agreement was originally signed on the basis of the "tax" option, the proposed refunding of its debt in 1945 would place the province in a position where the "debt" option would become the more favourable, and retroactive adjustments have been made on that account.

amount received during the fiscal year of each province ended nearest to December 31, 1940. For 1943, provincial receipts from the Dominion under the terms of this guarantee totalled \$11,621,000.

A further guarantee was given by the Dominion to the provinces, in accordance with the announcement made by the Minister of Finance in the House of Commons on March 2, 1943, viz., a guarantee of provincial liquor revenues at the amount collected in the twelve months ended June 30, 1942. Eight provinces signed this agreement, but no payments have been required to date. The liquor revenues so guaranteed were as follows:

LIQUOR REVENUES GUARANTEED

<i>Province</i>	<i>Amount</i>
Prince Edward Island	\$ 149,264.68
Nova Scotia	4,211,905.53
New Brunswick	2,666,115.59
Quebec	11,009,047.93
Ontario	16,312,616.49
Manitoba	3,033,934.46
Saskatchewan	2,531,588.58
Alberta	4,178,493.69
British Columbia	6,368,236.86
	<hr/>
	\$50,461,203.81
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PART II

TABLES

PROVINCIAL GOVERNMENTS

SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID
in dollars per capita

	All Provinces Combined	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia
A. STATUTORY AND INTERIM SUBSIDIES:										
At inception.....	\$.....	\$ 2.98	\$.98	\$ 1.25	\$.82	\$.48	\$ 2.65	\$ 4.36	\$ 6.07	\$ 6.28
1913.....	1.52	4.06	1.26	1.76	.94	.91	2.87	3.75	2.94	1.71
1933.....	1.44	5.63	2.90	3.10	.85	.84	2.41	2.30	2.34	1.22
1937.....	1.97	7.06	3.56	3.65	.81	.81	3.43	6.10	3.06	2.14
1939.....	1.76	6.99	3.48	3.56	.79	.79	3.39	4.01	3.04	2.05
1941.....	1.24	4.02	1.13	1.54	.84	.83	2.35	2.38	2.25	1.18
1943.....	1.22	4.20	1.16	1.58	.81	.81	2.37	2.48	2.27	1.11
B. SUBVENTIONS AND GRANTS-IN-AID:										
At inception.....	None			.10				.09		3.03
1913.....	.18	.84	2.41	1.43	1.68	5.53	4.82	6.09	1.55	6.16
1933.....	3.86	2.98	4.83	4.54	4.82	4.69	7.19	30.51	5.37	6.44
1937.....	7.21									
1939.....	5.39	4.10	5.19	4.79	3.88	5.32	6.92	9.50	4.20	7.54
1941.....	3.27	2.66	3.95	4.68	2.79	3.45	3.73	3.02	2.65	3.72
1943.....	3.35	3.11	3.95	4.46	3.10	3.33	3.81	3.43	2.62	3.72
C. TAX SUSPENSION AGREEMENT:										
From inception to 1939.....	None									
1941.....	2.52	5.07	2.25	2.62	.38	.91	6.25	4.85	4.78	10.47
1943.....	6.91	7.36	4.54	4.89	5.18	7.45	7.41	6.90	6.95	13.38

TABLE 2

PROVINCIAL GOVERNMENTS
SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID
as percentages of revenues

	All Provinces Combined	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Percentage of Dominion revenues
A. STATUTORY AND INTERIM SUBSIDIES:											
At inception.....	.....	52.230%	60.185%	43.811%	59.440%	49.815%	(1)	79.044%	73.996%	66.094%	.....
1913.....	25.818%	73.745	37.962	44.244	23.184	26.289	35.607%	35.933	36.427	7.121	7.817%
1933.....	7.918	40.854	19.239	23.306	7.014	4.109	10.834	12.136	13.053	3.697	5.488
1937.....	6.683	35.323	14.862	16.527	3.497	2.825	11.948	12.492	10.190	4.583	4.723
1939.....	6.193	31.375	13.333	15.405	3.502	2.742	11.393	12.463	10.108	4.230	4.122
1941.....	3.702	17.792	3.858	5.267	2.666	2.516	7.708	7.341	6.087	2.254	1.028
1943.....	3.579	16.487	3.679	5.083	2.604	2.420	7.757	6.186	6.058	2.368	.570
B. SUBVENTIONS AND GRANTS-IN-AID:											
At inception.....	None	.....	.....	2.497	.....	.099	.....	.832	.058	12.656	.933
1913.....	3.081	.....	.....	10.800	13.850	27.154	21.673	32.138	8.626	18.652	14.738
1933.....	21.265	6.043	15.982	20.573	20.919	16.401	25.056	62.535	17.885	13.774	17.255
1937.....	24.418	14.892	20.181	20.723	17.333	18.400	23.231	29.541	13.990	15.539	12.628
1939.....	18.974	18.386	19.873	20.723	17.333	18.400	23.231	29.541	13.990	15.539	12.628
1941.....	9.749	11.784	13.482	15.979	8.833	10.477	12.247	9.318	7.190	7.104	2.706
1943.....	9.845	12.214	12.524	14.332	9.924	10.009	12.502	8.552	7.004	7.901	1.569
C. TAX SUSPENSION AGREEMENT:											
From inception to 1939.....	None	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1941.....	7.509	22.450	7.680	8.952	1.217	2.757	20.517	14.961	12.947	19.968	2.085
1943.....	20.282	28.917	14.392	15.735	16.620	22.387	24.296	17.163	18.587	28.438	3.232

(1) Information not available. In 1877, subsidies amounted to approximately 90% of gross revenue.

TABLE 3

PROVINCIAL GOVERNMENTS
ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID
For the first years in Confederation

(Thousands of Dollars)

Item No.	—	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
	Fiscal year ended →	Dec. 31, 1873	Dec. 31, 1868	Oct. 31, 1868	June 30, 1868	Sept. 30, 1868	Dec. 31, 1872	Feb. 28, 1907	Dec. 31, 1906	June 30, 1872
1	Population (estimated-thousands).....	94 ⁽²⁾	331 ⁽¹⁾	252 ⁽¹⁾	1,111 ⁽¹⁾	1,396 ⁽¹⁾	25 ⁽²⁾	258 ⁽³⁾	185 ⁽³⁾	34 ⁽²⁾
2	Gross provincial revenues (approximate, ⁽⁴⁾).....	538	540	719	1,536	1,355	⁽⁵⁾	1,422	1,519	324
3	Statutory and interim subsidies.....	281	315 ⁽⁶⁾	315 ⁽⁶⁾	913	675	67	1,124	1,124	214
4	% subsidies to provincial revenue.....	52.230%	60.185%	43.811%	59.440%	49.815%	⁽⁵⁾	79.044%	73.996%	66.094%
5	\$ per capita.....	\$ 2.98	\$.98	\$ 1.25	\$.82	\$.48	\$ 2.65	\$ 4.36	\$ 6.07	\$ 6.28

(1) 1861.

(2) 1871.

(3) 1906.

(4) Extracted from or estimated on the basis of the reports contained in the respective Sessional Papers or Journals.

(5) Information not available.

(6) Excluding interest on debt allowance.

TABLE 4

PROVINCIAL GOVERNMENTS
ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID
1913
(Thousands of Dollars)

Item No.	—	All Provinces	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1	Population (estimated—thousands).....	7,617	94	504	363	2,096	2,639	505	563	429	424
2	Gross provincial revenues (including subventions, etc.).....	44,818	518	1,678	1,442	8,493	9,114	4,075	5,886	3,459	10,153
3	Subsidies, subventions and grants-in-aid:										
4	Statutory and interim subsidies.....	11,571	382	637	638	1,969	2,396	1,451	2,115	1,260	723
5	Subventions and grants-in-aid.....	1,381	.....	.....	36	.....	9	.....	49	2	1,285
6	Total, items 3 and 4.....	12,952	382	637	674	1,969	2,405	1,451	2,164	1,262	2,008
7	Total revenues, Dominion of Canada.....	148,025									
8	% subsidies to provincial revenue:										
9	Statutory and interim subsidies.....	25.818%	73.745%	37.962%	44.244%	23.184%	26.289%	35.607%	35.933%	36.427%	7.121%
10	Subventions and grants-in-aid.....	3.081	.....	.....	2.497	.....	.099	.....	.832	.058	12.656
11	Combined.....	28.899%	73.745%	37.962%	46.741%	23.184%	26.388%	35.607%	36.765%	36.485%	19.777%
12	% subsidies to Dominion revenue:										
13	Statutory and interim subsidies.....	7.817%									
14	Subventions and grants-in-aid.....	.933									
15	Combined.....	8.750%									
	\$ per capita:										
13	Statutory and interim subsidies.....	\$1.52	\$4.06	\$1.26	\$1.76	\$.94	\$.91	\$2.87	\$3.75	\$2.94	\$1.71
14	Subventions and grants-in-aid.....	.18	.....	.....	.10	.....	.....	.....	.09	.....	3.03
15	Combined.....	\$1.70	\$4.06	\$1.26	\$1.86	\$.94	\$.91	\$2.87	\$3.84	\$2.94	\$4.74

TABLE 5

PROVINCIAL GOVERNMENTS
ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID

1933

(Thousands of Dollars)

Item No.	—	All Provinces	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1	Population (estimated—thousands).....	10,619	90	525	419	2,972	3,512	708	926	750	717
2	Gross provincial revenues (including subventions, etc.).....	192,805	1,241	7,921	5,565	36,100	71,567	15,738	17,543	13,460	23,670
3	Subsidies, subventions and grants-in-aid:										
4	Statutory and interim subsidies.....	15,267	507	1,524	1,297	2,532	2,941	1,705	2,129	1,757	875
5	Subventions and grants-in-aid.....	41,000	75	1,266	601	5,000	19,433	3,411	5,638	1,161	4,415
6	Total, items 3 and 4.....	56,267	582	2,790	1,898	7,532	22,374	5,116	7,767	2,918	5,290
7	Total revenues, Dominion of Canada.....	278,181									
8	% subsidies to provincial revenue:										
9	Statutory and interim subsidies.....	7.918%	40.854%	19.239%	23.306%	7.014%	4.109%	10.834%	12.136%	13.053%	3.697%
10	Subventions and grants-in-aid.....	21.265	6.043	15.982	10.800	13.850	27.154	21.673	32.138	8.626	18.652
11	Combined.....	29.183%	46.897%	35.221%	34.106%	20.864%	31.263%	32.507%	44.574%	21.679%	22.349%
12	% subsidies to Dominion revenue:										
13	Statutory and interim subsidies.....	5.488%									
14	Subventions and grants-in-aid.....	14.738									
15	Combined.....	20.226%									
	\$ per capita:										
13	Statutory and interim subsidies.....	\$1.44	\$5.63	\$2.90	\$3.10	\$0.85	\$0.84	\$2.41	\$2.30	\$2.34	\$1.22
14	Subventions and grants-in-aid.....	3.86	0.84	2.41	1.43	1.68	5.53	4.82	6.09	1.55	6.16
15	Combined.....	\$5.30	\$6.47	\$5.31	\$4.53	\$2.53	\$6.37	\$7.23	\$8.39	\$3.89	\$7.38

TABLE 6

PROVINCIAL GOVERNMENTS
ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID

1937

(Thousands of Dollars)

Item No.	—	All Provinces	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1	Population (estimated—thousands).....	11,029	93	549	437	3,141	3,637	715	922	776	759
2	Gross provincial revenues (including subventions, etc.).....	325,458	1,860	13,141	9,639	72,437	104,089	20,530	44,989	23,316	35,457
3	Subsidies, subventions and grants-in-aid:										
4	Statutory and interim subsidies.....	21,751	657	1,953	1,593	2,533	2,941	2,453	5,620	2,376	1,625
5	Subventions and grants-in-aid.....	79,469	277	2,652	1,983	15,153	17,072	5,144 ⁽¹⁾	28,134 ⁽¹⁾	4,170	4,884
6	Total, items 3 and 4.....	101,220	934	4,605	3,576	17,686	20,013	7,597	33,754	6,546	6,509
7	Total revenues, Dominion of Canada.....	460,544									
8	% subsidies to provincial revenue:										
9	Statutory and interim subsidies.....	6.683%	35.323%	14.862%	16.527%	3.497%	2.825%	11.948%	12.492%	10.190%	4.583%
10	Subventions and grants-in-aid.....	24.418	14.892	20.181	20.573	20.919	16.401	25.056	62.535	17.885	13.774
11	Combined.....	31.101%	50.215%	35.043%	37.100%	24.416%	19.226%	37.004%	75.027%	28.075%	18.357%
12	% subsidies to Dominion revenue:										
13	Statutory and interim subsidies.....	4.723%									
14	Subventions and grants-in-aid.....	17.255									
15	Combined.....	21.978%									
16	\$ per capita:										
17	Statutory and interim subsidies.....	\$ 1.97	\$ 7.06	\$ 3.56	\$ 3.65	\$ 0.81	\$ 0.81	\$ 3.43	\$ 6.10	\$ 3.06	\$ 2.14
18	Subventions and grants-in-aid.....	7.21	2.98	4.83	4.54	4.82	4.69	7.19	30.51	5.37	6.44
19	Combined.....	\$ 9.18	\$10.04	\$ 8.39	\$ 8.19	\$ 5.63	\$ 5.50	\$10.62	\$36.61	\$ 8.43	\$ 8.58

⁽¹⁾ Excluding treasury bills payable to the Dominion of Canada, cancelled in this year: Manitoba 805, Saskatchewan 17,682.

TABLE 7

PROVINCIAL GOVERNMENTS

ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID

1939

(Thousands of Dollars)

Item No.	—	All Provinces	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1	Population (estimated—thousands).....	11,250	94	561	447	3,230	3,708	726	906	786	792
2	Gross provincial revenues (including subventions, etc.).....	319,493	2,094	14,648	10,341	72,354	107,260	21,618	29,143	23,616	38,419
3	Subsidies, subventions and grants-in-aid:										
4	Statutory and interim subsidies.....	19,785	657	1,953	1,593	2,534	2,941	2,463	3,632	2,387	1,625
5	Subventions and grants-in-aid.....	60,621	385	2,911	2,143	12,541	19,736	5,022	8,609	3,304	5,970
6	Total, items 3 and 4.....	80,406	1,042	4,864	3,736	15,075	22,677	7,485	12,241	5,691	7,595
7	Total revenues, Dominion of Canada.....	480,027									
8	% subsidies to provincial revenues:										
9	Statutory and interim subsidies.....	6.193%	31.375%	13.333%	15.405%	3.502%	2.742%	11.393%	12.463%	10.108%	4.230%
10	Subventions and grants-in-aid.....	18.974	18.386	19.873	20.723	17.333	18.400	23.231	29.541	13.990	15.539
11	Combined.....	25.167%	49.761%	33.206%	36.128%	20.835%	21.142%	34.624%	42.004%	24.098%	19.769%
12	% subsidies to Dominion revenue:										
13	Statutory and interim subsidies.....	4.122%									
14	Subventions and grants-in-aid.....	12.628									
15	Combined.....	16.750%									
16	\$ per capita:										
17	Statutory and interim subsidies.....	\$ 1.76	\$ 6.99	\$ 3.48	\$ 3.56	\$ 0.79	\$ 0.79	\$ 3.39	\$ 4.01	\$ 3.04	\$ 2.05
18	Subventions and grants-in-aid.....	5.39	4.10	5.19	4.79	3.88	5.32	6.92	9.50	4.20	7.54
19	Combined.....	\$ 7.15	\$11.09	\$ 8.67	\$ 8.35	\$ 4.67	\$ 6.11	\$10.31	\$13.51	\$ 7.24	\$ 9.59

TABLE 8

PROVINCIAL GOVERNMENTS
ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID
1941
(Thousands of Dollars)

Item No.		All Provinces	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1	Population (Census).....	11,489,713	95,047	577,962	457,401	3,331,882	3,787,655	729,744	895,992	796,169	817,861
2	Gross provincial revenues (including subventions, etc.).....	385,709	2,147	16,926	13,405	105,077	124,650	22,225	29,042	29,374	42,863
3	Subsidies, subventions and grants-in-aid:										
4	Statutory and interim subsidies.....	14,277	382	653	706	2,801	3,136	1,713	2,132	1,788	966
5	Subventions and grants-in-aid.....	37,604	253	2,282	2,142	9,282	13,060	2,722	2,706	2,112	3,045
6	Tax Suspension Agreement ¹	28,964	482	1,300	1,200	1,279	3,436	4,560	4,345	3,803	8,559
7	Total, items 3 to 5.....	80,845	1,117	4,235	4,048	13,362	19,632	8,995	9,183	7,703	12,570
8	Total revenues, Dominion of Canada.....	1,389,433									
9	% subsidies to provincial revenues:										
10	Statutory and interim subsidies.....	3.702%	17.792%	3.858%	5.267%	2.666%	2.516%	7.708%	7.341%	6.087%	2.254%
11	Subventions and grants-in-aid.....	9.749	11.784	13.482	15.979	8.833	10.477	12.247	9.818	7.190	7.104
12	Tax Suspension Agreement.....	7.509	22.450	7.680	8.952	1.217	2.757	20.517	14.961	12.947	19.968
13	Combined.....	20.960%	52.026%	25.020%	30.198%	12.716%	15.750%	40.472%	31.620%	26.224%	29.326%
14	% subsidies to Dominion revenue:										
15	Statutory and interim subsidies.....	1.028%									
16	Subventions and grants-in-aid.....	2.706									
17	Tax Suspension Agreement.....	2.085									
18	Combined.....	5.819%									
19	\$ per capita:										
20	Statutory and interim subsidies.....	\$1.24	\$4.02	\$1.13	\$1.54	\$0.84	\$0.83	\$2.35	\$2.38	\$2.25	\$1.18
21	Subventions and grants-in-aid.....	3.27	2.66	3.95	4.68	2.79	3.45	3.73	3.02	2.65	3.72
22	Tax Suspension Agreement.....	2.52	5.07	2.25	2.62	0.38	0.91	6.25	4.85	4.78	10.47
23	Combined.....	\$7.03	\$11.75	\$7.33	\$8.84	\$4.01	\$5.19	\$12.33	\$10.25	\$9.68	\$15.37

(¹) Excluding amounts received under the Dominion of Canada gasoline tax guarantee.

TABLE 9

PROVINCIAL GOVERNMENTS
ANALYSIS OF SUBSIDIES, SUBVENTIONS AND GRANTS-IN-AID
1943
(Thousands of Dollars)

Item No.	—	All Provinces	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1	Population (estimated—thousands).....	11,797	91	607	463	3,457	3,917	726	842	792	900
2	Gross provincial revenues (including subventions, etc.).....	402,012	2,317	19,163	14,401	107,822	130,357	22,148	33,817	29,628	42,359
3	Subsidies, subventions and grants-in-aid:										
4	Statutory and interim subsidies.....	14,390	382	705	732	2,808	3,155	1,718	2,092	1,795	1,003
5	Subventions and grants-in-aid.....	39,578	283	2,400	2,064	10,700	13,048	2,769	2,892	2,075	3,347
6	Tax Suspension Agreement ¹	81,535	670	2,758	2,266	17,920	29,183	5,381	5,804	5,507	12,046
7	Total, items 3 to 5.....	135,503	1,335	5,863	5,062	31,428	45,386	9,868	10,788	9,377	16,396
8	Total revenues, Dominion of Canada.....	2,522,414									
9	% subsidies to provincial revenues:										
10	Statutory and interim subsidies.....	3.579%	16.487%	3.679%	5.083%	2.604%	2.420%	7.757%	6.186%	6.058%	2.368%
11	Subventions and grants-in-aid.....	9.845	12.214	12.524	14.332	9.924	10.009	12.502	8.552	7.004	7.901
12	Tax Suspension Agreement.....	20.282	28.917	14.392	15.735	16.620	22.387	24.296	17.163	18.587	28.438
13	Combined.....	33.706%	57.618%	30.595%	35.150%	29.148%	34.816%	44.555%	31.901%	31.649%	38.707%
14	% subsidies to Dominion revenue:										
15	Statutory and interim subsidies.....	0.570%									
16	Subventions and grants-in-aid.....	1.569									
17	Tax Suspension Agreement.....	3.232									
18	Combined.....	5.371%									
19	\$ per capita:										
20	Statutory and interim subsidies.....	\$1.22	\$4.20	\$1.16	\$1.58	\$0.81	\$0.81	\$2.37	\$2.48	\$2.27	\$1.11
21	Subventions and grants-in-aid.....	3.35	3.11	3.95	4.46	3.10	3.33	3.81	3.43	2.62	3.72
22	Tax Suspension Agreement.....	6.91	7.36	4.54	4.89	5.18	7.45	7.41	6.90	6.95	13.38
23	Combined.....	\$11.48	\$14.67	\$ 9.65	\$10.93	\$ 9.09	\$11.59	\$13.59	\$12.81	\$11.84	\$18.21

(¹) Excluding amounts received under the Dominion of Canada gasoline tax guarantee.

PROVINCIAL GOVERNMENTS
DETAILS OF SUBSIDIES, ETC. RECEIVED BY PROVINCES IN 1943

Item No.	Actual date of fiscal year end→	All Provinces	Prince Edward Island	Nova Scotia
			Dec. 31 1943	Nov. 30 1943
	SUBSIDIES:			
1	Government and legislation	\$1,780,000.00	\$100,000.00	\$190,000.00
2	Debt allowance	1,609,385.52	38,789.58	52,770.58
3	Population	8,779,087.80	87,262.40	462,369.60
4	Compensation for public lands	1,980,879.90	5,879.90	.....
5	Allowance in consideration of repeal of lumber duties	150,000.00	.....	.....
6	Additional subsidies	150,000.00	150,000.00	.....
7	.....	14,449,353.22	381,931.88	705,140.18
8	LESS: Interest on debt account	58,944.38	.....	.....
9	Sub-Total (Items 1 to 8)	14,390,408.84	381,931.88	705,140.18
	TAX AGREEMENT—			
	GRANT EQUIVALENT TO:			
	Income and corporation taxes suspended:			
10	Provincial	73,226,156.22	241,811.46	1,488,157.58
11	Municipal	3,913,789.08	10,132.50	122,770.45
12	.....	77,139,945.30	251,943.96	1,610,928.03
13	Excess of debt charges over taxes suspended	5,800,195.27	12,825.98	974,380.69
14	.....	82,940,140.57	264,769.94	2,585,308.72
	FISCAL NEED SUBSIDIES:			
	Compensation for loss of revenue:			
15	Interim subsidies	2,475,000.00	275,000.00	1,300,000.00
16	Less excess debt charges	—1,815,713.37	—12,825.98	—974,380.69
17	Additional subsidies	2,575,000.00	175,000.00	.....
18	.....	3,234,286.63	437,174.02	325,619.31
19	Sub-Total (Items 14 and 18)	86,174,427.20	701,943.96	2,910,928.03
20	LESS: Collections and refunds by provinces, net	—695,462.93	—21,251.35	.....
21	Collections by municipalities .....	.....	.....	.....
22	Payments to municipalities	—3,944,066.25	—10,132.50	—153,047.62
23	Sub-Total (Items 10 to 22)	81,534,898.02	670,560.11	2,757,880.41
24	CUMULATIVE SUB-TOTAL (Carried forward)	\$95,925,306.86	\$1,052,491.99	\$3,463,020.59

* As adjusted to give effect to proposed agreement in 1945.

TABLE 10

PROVINCIAL GOVERNMENTS
DETAILS OF SUBSIDIES, ETC. RECEIVED BY PROVINCES IN 1943

New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Item No.
Oct. 31 1943	March 31 1944	March 31 1944	April 30 1944	April 30 1944	March 31 1944	March 31 1944	
\$190,000.00	\$240,000.00	\$240,000.00	\$190,000.00	\$220,000.00	\$190,000.00	\$220,000.00	1
26,464.96	127,460.68	142,414.48	381,584.18	405,375.00	405,375.00	29,151.06	2
365,920.80	2,499,129.20	2,772,593.00	583,795.20	716,793.60	636,935.20	654,288.80	3
.....	.....	.....	562,500.00	750,000.00	562,500.00	100,000.00	4
150,000.00	.....	.....	.....	.....	.....	.....	5
.....	.....	.....	.....	.....	.....	.....	6
732,385.76	2,866,589.88	3,155,007.48	1,717,879.38	2,092,168.60	1,794,810.20	1,003,439.86	7
.....	58,944.38	.....	.....	.....	.....	.....	8
732,385.76	2,807,645.50	3,155,007.48	1,717,879.38	2,092,168.60	1,794,810.20	1,003,439.86	9
.....
1,065,657.22	18,189,598.66	28,964,039.54	5,054,740.92	2,092,922.69	4,080,860.64	12,048,367.51	10
1,384,410.23	2,396,475.90	.....	.....	.....	.....	.....	11
2,450,067.45	20,586,074.56	28,964,039.54	5,054,740.92	2,092,922.69	4,080,860.64	12,048,367.51	12
828,506.70	.....	.....	.....	2,237,548.60	*1,746,933.30	.....	13
3,278,574.15	20,586,074.56	28,964,039.54	5,054,740.92	4,330,471.29	5,827,793.94	12,048,367.51	14
.....
900,000.00	.....	.....	.....	.....	.....	.....	15
-828,506.70	.....	.....	.....	.....	.....	.....	16
300,000.00	.....	.....	600,000.00	1,500,000.00	.....	.....	17
371,493.30	.....	.....	600,000.00	1,500,000.00	.....	.....	18
3,650,067.45	20,586,074.56	28,964,039.54	5,654,740.92	5,830,471.29	5,827,793.94	12,048,367.51	19
.....	-269,275.11	218,289.58	-273,944.01	-26,572.10	-320,542.48	-2,167.36	20
.....	.....	.....	.....	.....	.....	.....	21
-1,384,410.23	-2,396,475.90	.....	.....	.....	.....	.....	22
2,265,657.22	17,920,323.55	29,182,329.12	5,380,796.91	5,803,899.19	5,507,251.36	12,046,200.15	23
\$2,998,042.98	\$20,727,969.05	\$32,337,336.60	\$7,098,676.29	\$7,896,067.79	\$7,302,061.56	\$13,049,640.01	24

PROVINCIAL GOVERNMENTS

DETAILS OF SUBSIDIES, ETC. RECEIVED BY PROVINCES IN 1943

Item No.	Actual date of fiscal year end→	All Provinces	Prince Edward Island	Nova Scotia
			Dec. 31 1943	Nov. 30 1943
1	CUMULATIVE SUB-TOTAL (Brought forward).....	\$95,925,306.86	\$1,052,491.99	\$3,463,020.59
2	SUBVENTIONS AND GRANTS-IN-AID— Old age pensions.....	32,224,062.85	246,973.96	2,040,329.01
3	Pensions for the blind.....	1,235,525.94	16,661.08	109,658.34
4	Unemployment and agricultural relief: Direct relief—provincial.....	108,942.13		
5	Settlers' establishment and assistance.....	61,436.46		
6	Other.....	6,629.34		6,629.34
7	Sub-Total (Items 4 to 6).....	177,007.93		6,629.34
8	Special war expenditures: War emergency and youth training.....	4,734,099.56	6,182.89	223,721.75
9	Special agricultural incentives.....	410,086.81		
10	Air raid precautions.....	115,622.31	12,674.88	*14,000.00
11	Day nurseries.....	101,434.12		
12	Evacuee children.....	50,290.36		*1,000.00
13	Interned enemy aliens.....	14,877.62	180.00	
14	Other expenditures reimbursed, including rental of buildings.....	247,261.04		
15	Sub-Total (Items 8 to 14).....	5,673,671.82	19,037.77	238,721.75
16	Other: Vital statistics.....	11,267.36		*1,000.00
17	Venereal disease control.....	92,658.87		
18	Inspection of Indian schools.....	1,350.00		
19	Agricultural subventions.....	45,582.05		4,088.70
20	Relief works: Highways, etc.....	111,901.32		
21	Drainage.....	6,902.71		
22	Quebec Sewer Project.....	5,304.01		
23	Sub-Total (Items 16 to 22).....	274,966.32		5,088.70
24	Sub-Total (Items 2, 3, 7, 15, 23).....	39,585,234.86	282,672.81	2,400,427.14
25	TOTAL.....	\$135,510,541.72	\$1,335,164.80	\$5,863,447.73

* Estimated; accurate figures not readily available.

PROVINCIAL GOVERNMENTS

TABLE 10

DETAILS OF SUBSIDIES, ETC. RECEIVED BY PROVINCES IN 1943

New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Item No.
Oct. 31 1943	March 31 1944	March 31 1944	April 30 1944	April 30 1944	March 31 1944	March 31 1944	
\$2,998,042.98	\$20,727,969.05	\$32,337,336.60	\$ 7,098,676.29	\$ 7,896,067.79	\$ 7,302,061.56	\$13,049,640.01	1
1,634,208.81	8,544,801.28	10,310,621.89	2,335,598.95	2,352,406.79	1,968,090.83	2,791,031.33	2
128,393.08	452,061.25	283,956.32	69,678.44	64,035.18	45,253.49	65,828.76	3
.....	1,662.37	.....	.....	84,576.84	22,702.92	.....	4
.....	61,436.46	.....	.....	.....	.....	.....	5
.....	.....	.....	.....	.....	.....	.....	6
.....	63,098.83	.....	.....	84,576.84	22,702.92	.....	7
261,947.05	1,338,334.31	1,806,974.48	*318,175.83	335,249.00	21,668.88	421,845.37	8
11,455.70	125,728.72	191,801.00	22,093.79	.....	15,156.14	43,851.46	9
22,475.53	.....	66,471.90	.....	.....	.....	.....	10
.....	41,134.87	60,299.25	.....	.....	.....	.....	11
1,163.52	19,796.80	17,184.94	.....	6,673.83	.....	4,471.27	12
.....	.....	7,363.97	.....	7,333.65	.....	.....	13
.....	42,415.27	182,448.28	21,247.49	1,150.00	.....	.....	14
297,041.80	1,567,409.97	2,332,543.82	361,517.11	350,406.48	36,825.02	470,168.10	15
*4,000.00	.....	6,267.36	.....	.....	.....	.....	16
.....	57,981.29	15,785.93	.....	10,872.69	.....	8,018.96	17
.....	.....	.....	.....	745.00	605.00	.....	18
2,315.44	3,403.06	.....	1,716.59	30,361.76	1,196.50	2,500.00	19
.....	.....	102,139.41	.....	.....	.....	9,761.91	20
.....	6,902.71	.....	.....	.....	.....	.....	21
.....	5,304.01	.....	.....	.....	.....	.....	22
6,315.44	73,591.07	124,192.70	1,716.59	41,979.45	1,801.50	20,280.87	23
2,065,959.13	10,700,962.40	13,051,314.73	2,768,511.09	2,893,404.74	2,074,673.76	3,347,309.06	24
\$5,064,002.11	\$31,428,931.45	\$45,388,651.33	\$9,867,187.38	\$10,789,472.53	\$9,376,735.32	\$16,396,949.07	25

PART III

EXTRACTS FROM LEGISLATION, AGREEMENTS, ETC.

1. STATUTORY SUBSIDIES

British North America Act, 1867
30 Victoria, Chapter 3:

112. Ontario and Quebec conjointly shall be liable to Canada for the amount (if any) by which the Debt of the Province of Canada exceeds at the Union Sixty-two million five hundred thousand dollars, and shall be charged with Interest at the Rate of Five per Centum per Annum thereon.

114. Nova Scotia shall be liable to Canada for the Amount (if any) by which its Public Debt exceeds at the Union Eight million Dollars, and shall be charged with Interest at the Rate of Five per Centum per Annum thereon.

115. New Brunswick shall be liable to Canada for the Amount (if any) by which its Public Debt exceeds at the Union Seven million dollars, and shall be charged with Interest at the Rate of Five per Centum per Annum thereon.

116. In case the Public Debt of Nova Scotia and New Brunswick do not at the Union amount to Eight million and Seven million dollars respectively, they shall respectively receive by half-yearly Payments in advance from the Government of Canada Interest at Five per Centum per Annum on the Difference between the Actual Amounts of their respective Debts and such stipulated Amounts.

118. The following Sums shall be paid yearly by Canada to the several Provinces for the Support of their Governments and Legislatures:

	Dollars
Ontario	Eighty thousand
Quebec	Seventy thousand
Nova Scotia	Sixty thousand
New Brunswick	Fifty thousand
	<hr/>
	Two hundred and sixty thousand;

and an annual Grant in aid of each Province shall be made, equal to Eighty Cents per Head of the Population as ascertained by the Census of One thousand eight hundred and sixty-one, and in the Case of Nova Scotia and New Brunswick, by each subsequent Decennial Census until the Population of each of those two Provinces amounts to Four hundred thousand Souls, at which Rate such Grant shall thereafter remain. Such Grants shall be in full Settlement of all future Demands on Canada, and shall be paid half-yearly in advance to each Province; but the Government of Canada shall deduct from such Grants, as against any Province, all Sums chargeable as Interest on the Public Debt of that Province in excess of the several Amounts stipulated in this Act.

119. New Brunswick shall receive by half-yearly Payments in advance from Canada for the Period of Ten years from the Union an additional Allowance of Sixty-three thousand Dollars per Annum; but as long as the Public Debt of that Province remains under Seven million Dollars, a Deduction equal to the Interest at Five per Centum per Annum on such Deficiency shall be made from that Allowance of Sixty-three Thousand Dollars.

146. It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, on Addresses from the Houses of the Parliament of Canada, and from the Houses of the respective Legislatures of the Colonies or Provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those Colonies or Provinces, or any of them, into the Union, and on Address from the Houses of the Parliament of Canada to admit Rupert's Land and the North-western Territory, or either of them, into the Union, on such Terms and conditions in each Case as are in the Addresses expressed and as the Queen thinks fit to approve, subject to the provisions of this Act; and the Provisions of any Order in Council in that Behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland.

British North America Act, 1907
7 Edward VII, Chapter 11:

1 (1) The following grants shall be made yearly by Canada to every province, which at the commencement of this Act is a province of the Dominion, for its local purposes and the support of its Government and Legislature:—

(a) A fixed grant—

Where the population of the province is under one hundred and fifty thousand, of one hundred thousand dollars;

Where the population of the province is one hundred and fifty thousand, but does not exceed two hundred thousand, of one hundred and fifty thousand dollars;

Where the population of the province is two hundred thousand, but does not exceed four hundred thousand, of one hundred and eighty thousand dollars;

Where the population of the province is four hundred thousand, but does not exceed eight hundred thousand, of one hundred and ninety thousand dollars;

Where the population of the province is eight hundred thousand, but does not exceed one million five hundred thousand, of two hundred and twenty thousand dollars;

Where the population of the province exceeds one million five hundred thousand, of two hundred and forty thousand dollars; and

(b) Subject to the special provisions of this Act as to the provinces of British Columbia and Prince Edward Island, a grant at the rate of eighty cents per head of the population of the province up to the number of two million five hundred thousand, and at the rate of sixty cents per head of so much of the population as exceeds that number.

(2) An additional grant of one hundred thousand dollars shall be made yearly to the Province of British Columbia for a period of ten years from the commencement of this Act.

1 (8) In the case of the provinces of British Columbia and Prince Edward Island the amount paid on account of the grant payable per head of the population to the provinces under this Act shall not at any time be less than the amount of the corresponding grant payable at the commencement of this Act; and if it is found on any decennial census that the population of the provinces has decreased since the last decennial census, the amount paid on account of the grant shall not be decreased below the amount then payable, notwithstanding the decrease of the population.

NOVA SCOTIA

32-33 Vic. c. 2:

2. Nova Scotia shall receive from Canada, for the period of ten years from the first day of July, 1867, an allowance of eighty-two thousand six hundred and ninety-eight dollars per annum, in addition to all other sums payable to the said Province under the British North America Act, 1867; and such allowance shall hereafter be paid by half-yearly payments in advance from the first day of July, one thousand eight hundred and sixty-nine, the arrears thereof up to the day last mentioned being capitalized either in whole or in part as the Governor in Council may determine and the interest on the part capitalized being payable until the end of the said ten years, when the principal shall be paid.

MANITOBA

33 Vic. c. 3:

24. Inasmuch as the Province is not in debt, the said Province shall be entitled to be paid, and to receive from the Government of Canada, by half-yearly payments in advance, interest at the rate of five per centum per annum on the sum of four hundred and seventy-two thousand and ninety dollars.

25. The sum of thirty thousand dollars shall be paid yearly by Canada to the Province, for the support of its Government and Legislature and an annual grant, in aid of the said Province, shall be made, equal to eighty cents per head of the population, estimated at seventeen thousand souls; and such grant of eighty cents per head shall be augmented in proportion to the increase of population, as may be shown by the census that shall be taken thereof in the year one thousand eight hundred and eighty-one, and by each subsequent decennial census, until its population amounts to four hundred thousand souls, at which amount such grant shall remain thereafter, and such sum shall be in full settlement of all future demand on Canada, and shall be paid half-yearly, in advance, to the said Province.

BRITISH COLUMBIA

Order in Council, under section 146, B.N.A. Act, 1867:

2. British Columbia not having incurred debts equal to those of the other Provinces now constituting the Dominion, shall be entitled to receive, by half-yearly payments, in advance from the General Government, interest at a rate of five per cent per annum on the difference between the actual amount of its indebtedness at the date of the Union, and the indebtedness per head of the population of Nova Scotia and New Brunswick (27.77 dollars), the population of British Columbia being taken at 60,000.

3. The following sums shall be paid by Canada to British Columbia for the support of its Government and Legislature, to wit, an annual subsidy of 35,000 dollars, and an annual grant equal to 80 cents per head of the said population of 60,000, both half-yearly in advance, such grant of 80 cents per head to be augmented in proportion to the increase of population, as may be shown by each subsequent decennial census, until the population amounts to 400,000 at which rate such grant shall thereafter remain, it being understood that the first census be taken in the year 1881.

11. And the Government of British Columbia agree to convey to the Dominion Government, in trust, to be appropriated in such manner as the Dominion Government may deem advisable in furtherance of the construction of the said railway, a similar extent of public land along the line of railway throughout its entire length in British Columbia, not to exceed, however, twenty (20) miles on each side of said line, as may be appropriated for the same purpose by the Dominion Government from the public lands in north-west territories and the Province of Manitoba. In consideration of the land to be so conveyed in aid of the construction of the said railway, the Dominion Government agree to pay to British Columbia from the date of the Union, the sum of 100,000 dollars per annum, in half-yearly payments in advance.

PRINCE EDWARD ISLAND

Order in Council, under section 146, B.N.A. Act, 1867:

That Prince Edward Island not having incurred debts equal to the sum mentioned in the next preceding Resolution, shall be entitled to receive, by half-yearly payments, in advance, from the General Government, interest at the rate of five per cent, per annum on the difference, from time to time, between the actual amount of its indebtedness and the amount of indebtedness authorized as aforesaid, viz., four millions seven hundred and one thousand and fifty dollars.

That as the Government of Prince Edward Island holds no lands from the Crown, and consequently enjoys no Revenues from that source, for the construction and maintenance of local works, the Dominion Government shall pay by half-yearly instalments in advance, to the Government of Prince Edward Island forty-five thousand dollars per annum, less interest at five per cent, per annum, upon any sum not exceeding eight hundred thousand dollars which the Dominion Government may advance to the Prince Edward Island Government for the purchase of lands now held by large proprietors.

That in consideration of the transfer to the Parliament of Canada of the powers of taxation, the following sums shall be paid yearly by Canada to Prince Edward Island, for the support of its Government and Legislature, that is to say, thirty thousand dollars and an annual grant equal to eighty cents per head of its population as shown by the census returns of 1871, viz., 94,021, both half-yearly payments in advance; such grant of eighty cents per head to be augmented in proportion to the increase of population of the Island as may be shown by each subsequent decennial census, until the population amounts to four hundred thousand, at which rate such grant shall thereafter remain, it being understood, that the next census shall be taken in the year 1881.

ADJUSTMENT OF DEBT ALLOWANCE

36 Vic. c. 30:

1. In the accounts between the several Provinces of Canada and the Dominion, the amounts payable to and chargeable against the said Provinces respectively, in so far as they depend on the amount of debt with which each Province entered the Union, shall be calculated and allowed as if the sum fixed by the one hundred and twelfth section of The British North America Act, 1867, were, increased from sixty-two million five hundred thousand dollars, to the sum of seventy-three million, six thousand and eighty-eight dollars and eighty-four cents, and as if the amounts fixed as aforesaid, as respects the Provinces of Nova Scotia and New Brunswick, by The British North America Act, 1867, and as respects the Provinces of British Columbia and Manitoba by the terms and conditions on which they were admitted into the Dominion were increased in the same proportion.

NEW BRUNSWICK

36 Vic. c. 41:

1. If the Legislature of the Province of New Brunswick shall pass an Act providing for the repeal of all duties of export on lumber exported from the said Province, and renouncing and abandoning all right of imposing any such duty thereafter, to the satisfaction of the Governor General, then from the time such repeal shall take place, there shall be paid to the said Province out of the Consolidated Revenue Fund of Canada, and in addition to any subsidy to which the said Province may be then entitled, as subsidy at the rate of one hundred and fifty thousand dollars annually, as indemnity for the loss of such duties and the right to impose the same.

MANITOBA

39 Vic. c. 3:

1. Manitoba shall receive from Canada, in addition to the subsidy now payable under the Act in that behalf, an annual grant of twenty-six thousand seven hundred and forty-six dollars and ninety-six cents, being the sum required to raise the revenue of the Province derivable from Canada to the amount aforesaid; the said grant to be payable by half-yearly instalments, and to commence and be reckoned from the first day of July, one thousand eight hundred and seventy-five, and to continue until the end of the year one thousand eight hundred and eighty-two.

MANITOBA

42 Vic. c. 2:

1. Manitoba shall receive from Canada, in addition to the subsidy now payable under the Act in behalf, and in addition to the sum payable under the authority of the first section of the Act, chapter three, thirty-ninth Victoria, a further annual grant of fifteen thousand six hundred and fifty-three dollars and four cents, being the sum required to raise the revenue of the Province derivable from Canada to the amount aforesaid; the said additional grant to be payable by half-yearly instalments, and to commence and be reckoned from the first day of July, one thousand eight hundred and seventy-nine, and to continue until the end of the year one thousand eight hundred and eighty-one.

MANITOBA

45 Vic. c. 5:

1. The following amounts shall be allowed for such subsidy, and paid as hereinafter provided, yearly to the said Province, on and from the first day of January, 1882, that is to say:

For the support of the Government and Legislature	\$ 50,000
On an estimated population of 150,000 at 80 cents per head.....	120,000
As an indemnity for the want of public lands.	45,000

And the said sums shall form the yearly subsidy to be paid by the Dominion to the said Province during the ten years next after 1881, in lieu of the subsidy allowed by the said Act, thirty-three Victoria, chapter three; and shall be paid out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

ADJUSTMENT OF DEBT ALLOWANCE

47 Vic. c. 4:

1. In the accounts between the several Provinces and the Dominion, the amounts by which the yearly subsidy to each was increased by the Act thirty-sixth Victoria, chapter thirty (as explained by the Act thirty-seventh Victoria, chapter three as to Nova Scotia), shall be calculated and allowed to Ontario and Quebec (jointly, as having formed the late Province of Canada), and to Nova Scotia and New Brunswick, as if the said Acts had directed that such increase should be allowed from the day of the coming into force of The British North America Act, 1867, and the total amount of the half-yearly payments which would in that case have been made on account of such increase from the first day of July, one thousand eight hundred and sixty-seven, up to and including the first day of January, one thousand eight hundred and seventy-three, with interest on each at five per cent per annum, from the day on which it would have been so paid to the first day of July, one thousand eight hundred and eighty-four, shall be deemed capital owing to the said Provinces respectively, bearing interest at five per cent, per annum, which interest shall be payable to them as part of their yearly subsidies from the Dominion, on and after the first day of July, one thousand eight hundred and eighty-four.

2. In the accounts between the Dominion and the Provinces of British Columbia, Manitoba and Prince Edward Island, the amounts now calculated and allowed

as the debts of those Provinces respectively, on which they are now paid interest by the Dominion, shall be increased by amounts bearing the same proportions to the respective populations of the said Provinces, as ascertained by the Census of 1881, as the total of the amounts to be added under this Act as capital owing Ontario and Quebec, Nova Scotia, and New Brunswick, bear to the combined population of the four last named Provinces, as ascertained by the said Census of 1881; and the amounts of such increases as respect the said Provinces of British Columbia, Manitoba and Prince Edward Island shall be deemed capital owing to the said Provinces respectively, bearing interest at the rate of five per cent per annum; which interest shall be payable to them as part of their respective subsidies from the Dominion, on and after the first day of July, one thousand eight hundred and eighty-four.

3. And for the avoidance of doubt under the foregoing provisions, it is declared and enacted that the amount of each increase of the yearly subsidy and capital on which the same is payable, to the several Provinces respectively, under this Act shall be as follows:

	<i>Yearly Increase</i>	<i>Capital</i>
To Ontario and Quebec jointly	269,875.16	5,397,503.13
Nova Scotia	39,668.44	793,368.71
New Brunswick	30,225.97	604,519.35
Manitoba	5,541.25	110,825.07
British Columbia	4,155.39	83,107.88
Prince Edward Island	9,148.68	182,973.18

MANITOBA

48-49 Vic. c. 50:

3. The sum now payable annually to the Province, under the Act forty-fifth Victoria, chapter five, as an indemnity for the want of public lands shall be increased from forty-five thousand dollars to one hundred thousand dollars—such increase to date from the first day of July one thousand eight hundred and eighty-five.

6. The capital sum on which the Province is entitled to receive half-yearly payments of interest at the rate of five per cent per annum, as fixed by the Act thirty-third Victoria, chapter three, and as readjusted or increased by any subsequent Act, shall, from and after the first day of July, one thousand eight hundred and eighty-five, be calculated on a population of one hundred and twenty-five thousand, at the same rate "per capita" as was allowed on the estimated population, under the Act thirty-third Victoria, chapter three, and shall be charged with such advances as have been already made to the Province, and with such expenditure as has been made therein by the Dominion for purposes of a strictly local character, and with a further sum of one hundred and fifty thousand dollars, which the Dominion Government may advance to the Province to meet the expenditure of constructing a lunatic asylum, and other exceptional services.

PRINCE EDWARD ISLAND

50-51 Vic. c. 8:

1. From and after the first day of July, one thousand eight hundred and eighty-seven, there shall be paid to the Province of Prince Edward Island, in addition to all

other subsidies and allowances now paid to the said Province, an annual allowance or subsidy of twenty thousand dollars, which additional allowance or subsidy shall become payable and be paid to the said Province half-yearly in advance on the first days of July and January in each and every year, beginning with the said first of July, one thousand eight hundred and eighty-seven.

MANITOBA

61 Vic. c. 4:

1. The Governor in Council may direct that the sum of two hundred and sixty-seven thousand and twenty-six dollars and forty-three cents, being the cost of the erection of the legislative buildings and government house at Winnipeg, which sum was charged against the "Province of Manitoba Debt Account" be, on or from the first day of July, one thousand eight hundred and ninety-eight, credited to the said account, and that the interest payable to the said province on the said first day of July, one thousand eight hundred and ninety-eight, on the balance at the credit of the said debt account be calculated on the balance at the credit of the said account after the said sum of two hundred and sixty-seven thousand and twenty-six dollars and forty-three cents has been credited as herein provided.

2. The Governor in Council may, on or after the said first day of July, one thousand eight hundred and ninety-eight, pay to the Government of the province of Manitoba the sum of two hundred and thirty-one thousand five hundred and seventy-five dollars and forty-seven cents, being the total of the amounts which would have been payable to the province of Manitoba by the Dominion, in excess of the amounts actually paid, as interest from time to time payable on the balance at the credit of the said debt account, had the cost of the erection of the said legislative buildings and government house at Winnipeg had not been charged against the said debt account, together with interest at the rate of five per cent per annum on each of the amounts so payable in excess of the amounts actually paid, from the date when they would have been payable to the said first of July, one thousand eight hundred and ninety-eight.

PRINCE EDWARD ISLAND

1 Ed. VII c. 3:

1. From and after the first day of July, one thousand nine hundred and one, there shall be paid to the province of Prince Edward Island, in addition to all sums now authorized by law, an annual allowance of thirty thousand dollars, which allowance shall become payable and be paid to the said province half-yearly on the first day of July and the first day of January in every year, beginning with the said first day of July, one thousand nine hundred and one, such allowance to be paid and accepted in full settlement of all claims of the said province against the Dominion of Canada on account of alleged non-fulfilment of the terms of union between the Dominion and the said province as respects the maintenance of efficient steam communication between the island and the mainland.

ALBERTA
SASKATCHEWAN

4-5 Ed. VII c. 3:

18. The following amounts shall be allowed as an annual subsidy to the Province of Alberta and shall be paid by the Government of Canada, by half-yearly instalments in advance, to the said province, that is to say:—

- (a) for the support of the Government and Legislature, fifty thousand dollars;
- (b) on an estimated population of two hundred and fifty thousand, at eighty cents per head, two hundred thousand dollars, subject to be increased as hereinafter mentioned, that is to say:—a census of the said province shall be taken in every fifth year, reckoning from the general census of one thousand nine hundred and one, and an approximate estimate of the population shall be made at equal intervals of time between each quinquennial and decennial census; and whatever the population, by any such census or estimate, exceeds two hundred and fifty thousand, which shall be the minimum on which the said allowance shall be calculated, the amount of the said allowance shall be increased accordingly, and so on until the population has reached eight hundred thousand souls.

19. Inasmuch as the said province is not in debt, it shall be entitled to be paid and to receive from the Government of Canada by half-yearly payments in advance, an annual sum of four hundred and five thousand three hundred and seventy-five dollars, being the equivalent of interest at the rate of five percent per annum on the sum of eight million one hundred and seven thousand five hundred dollars.

20. Inasmuch as the said province will not have the public land as a source of revenue, there shall be paid by Canada to the province by half-yearly payments, in advance an annual sum based upon population of the province as from time to time ascertained by the quinquennial census thereof, as follows:

The population of the said province being assumed to be at present two hundred and fifty thousand, the sum payable until such population reaches four hundred thousand, shall be three hundred and seventy-five thousand dollars;

Thereafter, until such population reaches eight hundred thousand, the sum payable shall be five hundred and sixty-two thousand five hundred dollars.

Thereafter, until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars; And thereafter the sum payable shall be one million one hundred and twenty-five thousand dollars.

2. As an additional allowance in lieu of public lands there shall be paid by Canada to the province annually by half-yearly payments, in advance, for five years from the time this Act comes into force, to provide for the construction of necessary public buildings, the sum of ninety-three thousand seven hundred and fifty dollars.

4-5 Ed. VII c. 42:

Same as above except that Saskatchewan is substituted for Alberta.

MANITOBA

2 Geo. V c. 32:

4. (1) Inasmuch as the province was not in debt at the time the province was established, it shall be entitled to be paid and to receive from the Government of Canada, by half-yearly payments in advance on the first day of January and July in each year an annual sum of three hundred and eighty-one thousand five hundred and eighty-four dollars and nineteen cents, being the equivalent of interest at the rate of five per cent per annum on the sum of seven million six hundred and thirty-one thousand six hundred and eighty-three dollars and eighty-five cents, the difference between a principal sum of eight million one hundred and seven thousand five hundred dollars and the sum of four hundred and seventy-five thousand eight hundred and sixteen dollars and fifteen cents heretofore advanced by the Government to the province for provincial purposes.

4. (3) There shall be deducted from the aggregate of the sums payable under this section at the commencement of this Act all sums received on and after the first day of July, one thousand nine hundred and eight, by the province from the Government by way of interest on capital allowance in lieu of debt.

5. (1) Inasmuch as under the provisions of this Act the province will not have the public land as a source of revenue, there shall, subject to the provisions hereinafter set out, be paid by the Government to the province, by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based on population of the province as from time to time ascertained by the quinquennial census thereof, as follows:—

The population of the province being assumed to be on the first day of July, nineteen hundred and eight, over four hundred thousand, the sum payable until such population reaches eight hundred thousand shall be five hundred and sixty-two thousand five hundred dollars;

Thereafter until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars;

And thereafter the sum shall be one million one hundred and twenty-five thousand dollars.

5. (3) The sums payable to the province under subsection (1) of this section shall be subject to a deduction at the rate of five per cent per annum upon the difference between the aggregate of the sums for which the said swamp lands were sold by the province and the aggregate of the sums from time to time charged to the province by the Government in connection with the selection, survey and transfer of such lands and of the sums expended by the province which may be fairly chargeable to the administration and sale of such swamp lands.

5. (5) The sums payable to the province under subsection (1) of this section shall also be subject to a deduction by reason of the allotment of land, to the extent of one hundred and fifty thousand acres, granted as an endowment to the University of Manitoba under section 2 of chapter 50 of the statutes of 1885, to wit, to a deduction of five per cent per annum upon the sum of three hundred thousand dollars.

7. There shall be deducted from the aggregate of the sums payable under the next preceding subsection at the commencement of this Act all sums received on and after the first day of July, nineteen hundred and eight, by the province from the Government on account of indemnity in lieu of public lands.

8. As an additional allowance in lieu of public lands there shall be paid by the Government to the province, one-half on the first day of July, nineteen hundred and twelve and one-half on the first day of July, nineteen hundred and thirteen, to assist in providing for the construction of necessary public buildings, two hundred and one thousand seven hundred and twenty-three dollars and fifty-seven cents, a sum equal to the difference between the total payments made by the Government to each of the provinces of Saskatchewan and Alberta, under the Saskatchewan Act and The Alberta Act, respectively, for the like purposes and sums already paid by the Government on account of the construction of the Legislative Buildings and the Government House at Winnipeg.

PRINCE EDWARD ISLAND

2 *Geo. V c. 42*:

2. There shall be paid to the Province of Prince Edward Island, in addition to the sums now authorized by law, an annual grant of one hundred thousand dollars, one half of which shall become payable on the first day of July and one half on the first day of January in every year beginning with the first day of July, one thousand nine hundred and twelve.

FISCAL NEED SUBSIDIES ¹

6 *Geo. VI c. 13*:

4. This agreement may also provide that in the case of the Provinces of Nova Scotia, New Brunswick, Prince Edward Island, Manitoba and Saskatchewan, the Dominion shall pay by way of additional subsidy during each year of the term of the agreement the respective amounts hereinafter set forth:

Nova Scotia	\$ 325,769.31
New Brunswick	371,493.30
Prince Edward Island	437,174.02
Manitoba	600,000.00
Saskatchewan	1,500,000.00

2. SUBVENTIONS AND GRANTS-IN-AID

THE UNEMPLOYMENT AND FARM RELIEF ACT.—1931

1931, *Chapter 58*:

Amount of Appropriation.—There may be paid out of the Consolidated Revenue Fund such moneys as the Governor in Council in his discretion may deem expedient to expend for relieving distress providing employment and maintaining within the competence of Parliament peace, order and good government throughout Canada.

Basis: discretion of Governor.

¹ For details of Tax Suspension Agreements, see section 3 of this Part.

THE RELIEF ACT 1932

1932, *Chapter 36*:

2. The Governor in Council may, on such terms and conditions as may be agreed upon, and notwithstanding the provisions of any statute or law,—

- (a) Enter into agreements with any of the Provinces respecting relief measures therein;
- (b) Grant financial assistance to any province by way of loan, advance, guarantee or otherwise;
- (c) Take all such measures as in his discretion may be deemed necessary or advisable to protect the credit and financial position of the Dominion or any Province thereof;
- (d) Loan or advance money to, or guarantee the payment of money by any public body, corporation or undertaking.

3. Without restricting the generality of the terms of the next preceding section hereof and notwithstanding the provisions of any statute or law, the Governor in Council may

- (a) Provide for special relief, works and undertakings, in the National Parks of Canada, and for the continuance during such period as may be necessary and advisable of the relief measures heretofore undertaken and now being carried on at the cost of Canada in the drought stricken areas of Saskatchewan by the Saskatchewan Relief Commission;
- (b) Assist in defraying the cost of the sale and distribution of the products of field, farm, forest, sea, river and mine;
- (c) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act.

4. The Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act.

5. The Governor in Council shall have full power to make all such orders and regulations as may be deemed necessary or desirable to carry out the purposes and intention of this Act.

RELIEF ACT 1933

1933, *Chapter 18*:

Notwithstanding the provisions of any statute or law the Governor in Council may,—

- (a) Upon such terms and conditions as may be agreed upon, enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province by way of loan, advance, guarantee or otherwise; loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements, and generally do all such things as the Governor in Council may deem necessary and expedient in the public interest;
- (b) When Parliament is not in session, to take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the

competence of Parliament, peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any Province thereof.

4. The Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act, but the amount paid for direct relief for the fiscal year ending the 31st day of March, 1934, shall not exceed the sum of twenty million dollars.

RELIEF ACT 1934

1934, Chapter 15:

2. Notwithstanding the provisions of any statute or law the Governor in Council may, upon such terms and conditions as may be agreed upon, enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province and to Canadian Co-operative Wheat Producers Limited by way of loan, advance, guarantee or otherwise; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such acts and things as the Governor in Council may deem necessary and expedient in the public interest.

5. The Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act.

6. The Governor in Council shall have full power to make all such orders and regulations as may be deemed necessary or desirable to carry out the purposes and intentions of this Act.

10. The Governor in Council may pay out of the Consolidated Revenue Fund any accounts in respect of the Dominion contributions towards direct relief for the fiscal year 1933-34 which may be received after the 31st day of March, 1934, notwithstanding that by the payment of the accounts the total amount paid for that purpose for the fiscal year ending the 31st day of March, 1934, may exceed the sum of twenty million dollars as fixed by section four of chapter eighteen of the statutes of 1932-33.

11. This Act shall expire on the 31st day of March, 1935, but any obligation or liability incurred or created under the authority of this Act prior to the 31st day of March, 1935, together with any liability for expenditures after that date for projects required to be completed in order to preserve the value of work already done may be paid and discharged out of the Consolidated Revenue Fund at any time prior to the first day of July, 1935.

THE RELIEF ACT 1935

1935, Chapter 13:

2. Notwithstanding the provisions of any statute or law the Governor in Council may, upon such terms and conditions as may be agreed upon, enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province

and to Canadian Co-operative Wheat Producers Limited by way of loan, advance, guarantee or otherwise; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such acts and things as the Governor in Council may deem necessary and expedient in the public interest.

3. In addition to the powers conferred under the provisions of any statute or law the Governor in Council may, when Parliament is not in session, take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of Parliament, peace, order and good government throughout Canada, and at all times take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any Province thereof.

4. Without restricting the generality of the terms of the next preceding section hereof and notwithstanding the provisions of any statute or law, the Governor in Council may

- (a) Provide for special relief, works and undertakings under control and direction of the Department of National Defence and the Department of the Interior;
- (b) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act.

10. Notwithstanding the expiration of the Relief Act, 1934, chapter 15 of the statutes of 1934, on the 31st day of March 1935, and the provisions of said Act, all undischarged obligations created under the authority of said Act may be paid and discharged out of the Consolidated Revenue Fund.

THE UNEMPLOYMENT RELIEF AND ASSISTANCE ACT 1936

1936, Chapter 15:

3. (1) The Governor in Council may out of the moneys appropriated by Parliament authorize the execution of such works and undertakings as the Governor in Council may determine to be in the general interest of Canada and requisite for the purposes of this Act, and for such purposes may authorize the performance of such acts and the execution of such agreements and contracts as he may deem necessary and expedient.

(2) In the execution of any such work or undertaking provision shall be made, so far as it may be in the opinion of the Governor in Council practicable and consistent with reasonable efficiency and economy to do so, for the employment of persons who being available and competent are necessarily and properly in receipt of relief in the province in which such work or undertaking is to be performed.

4. The Governor in Council may enter into agreements with any of the provinces respecting relief measures therein and providing for any payments on account of such relief measures to be made out of moneys appropriated for relief purposes by Parliament for the fiscal year 1936-37, and where necessary the Governor in Council may by way of loan or advance out of the Consolidated Revenue Fund or by way of guarantee, grant financial assistance to any province to enable the prov-

inee to provide for any expenditures for direct relief or other relief measures up to an amount not exceeding in the aggregate the total amount which may be otherwise payable to such province under any agreement entered into under the authority of this Act. The Governor in Council may also enter into agreement with corporations, partnerships or individuals engaged in industry respecting the expansion of industrial employment.

5. The Governor in Council may renew or consolidate for such periods and upon such terms as the Governor in Council may determine, loans, advances or guarantees made, given or renewed under the authority of The Relief Act, 1932, The Relief Act, 1933, The Relief Act, 1934, The Relief Act, 1935, and this Act, and accept as security therefore such Treasury bills, bonds, debentures or other securities as may be approved by the Governor in Council.

11. All the provisions of this Act, except such as are contained in section five and in this section, shall expire on the 31st day of March 1937, but any obligation or liability incurred or created under the authority of this Act may be paid and discharged notwithstanding the expiration of the aforesaid provisions of this Act on the said date.

THE UNEMPLOYMENT AND AGRICULTURAL ASSISTANCE ACT, 1937

1 Geo. VI c. 44:

4. The Governor in Council may enter into agreements with any of the provinces respecting the alleviation of unemployment conditions and of agricultural distress therein and providing for payments for such purposes to be made out of moneys appropriated by Parliament for the fiscal year 1937-38, and when necessary the Governor in Council may grant financial assistance to any province by way of loan, advance or guarantee for the purpose of assisting the province to pay its share of the expenditure for such purposes to an amount not exceeding in the aggregate the maximum amount which may be payable by the province for its share of the expenditures for such purposes under any agreement between the Dominion and the province entered into under the authority of this Act as well as the amount for which the province may be obligated by way of loan in connection with the cost of any undertaking for which commitments were made under the Unemployment Relief and Assistance Act, 1936, and which may be continued under agreements entered into under authority of this Act. The Governor in Council may also enter into agreements with corporations, partnerships or individuals engaged in industry respecting the expansion of industrial employment.

5. The Governor in Council may review or consolidate, for such periods and upon such terms as the Governor in Council may determine, loans, advances or guarantees made, given or renewed under the authority of this Act and may accept such Treasury Bills, bonds, debentures or other securities as may be approved by the Governor in Council as security for the payment of any indebtedness due by a province to the Dominion arising out of expenditures, advances or loans heretofore or hereafter made for the alleviation of unemployment conditions and of agricultural distress.

6. No financial assistance shall be granted to any province under this Act unless the province furnishes the Dominion, from time to time as required, with certified statements as to its financial position in such detail and in such form as the Dominion may require and shall also furnish such other information and permit such examination and audit to be made as the Dominion may deem necessary.

12. All the provisions of this Act except such as are contained in section five and in this section shall expire on March 31, 1938, but any obligation or liability incurred or created under the authority of this Act may be paid and discharged notwithstanding the expiration of the aforesaid provisions of this Act on the said date.

THE UNEMPLOYMENT AND AGRICULTURAL ASSISTANCE ACT, 1938

2 Geo. VI c. 25:

3. (1) The Governor in Council may out of moneys appropriated by Parliament authorize the execution of such undertakings as the Governor in Council may determine to be in the general interest of Canada and requisite for the purposes of this Act, and for such purposes may authorize the performance of such acts and the execution of such agreements and contracts at the Governor in Council may deem necessary and expedient.

(3) Where any undertaking towards which the Dominion Government is providing financial assistance is under provincial jurisdiction, then, unless otherwise provided by agreement, all contracts entered into with respect thereto shall be approved by the Minister and the work thereunder supervised by an officer in the service of the Dominion Government.

(4) The Governor in Council may enter into agreements:

- (a) With any of the provinces respecting the alleviation of unemployment conditions and of agricultural distress therein and to assist those in need;
- (b) With corporations or partnerships or individuals engaged in industry respecting the expansion of industrial employment;

and such agreements may provide for payments for any of the purposes aforementioned to be made out of moneys appropriated by Parliament for the fiscal year 1938-39.

5. (1) The Governor in Council, where necessary, may out of any unappropriated moneys in the Consolidated Revenue Fund grant financial assistance to any province by way of loan, advance or guarantee for the purposes of assisting the province to pay its share of expenditures incurred for the purposes mentioned in paragraph (a) of section four of this Act to an amount not exceeding in the aggregate the maximum amount which may be payable by the province for its share of such expenditures under any agreement between the Dominion and the province entered into under the authority of this Act as well as the amount for which the province may be obligated by way of loan in connection with the cost of any undertaking for which commitments were made under The Unemployment and

Agricultural Assistance Act, 1937, and which may be continued under agreements entered into under authority of this Act.

(2) The Governor in Council may accept such Treasury bills, bonds, debentures or other securities as may be approved by the Governor in Council as security for the payment of any indebtedness due by a province to the Dominion arising out of expenditures, advances or loans heretofore or hereafter made for the alleviation of unemployment conditions and of agricultural distress and to assist those in need.

6. No financial assistance shall be granted to any province under this Act unless the province agrees to furnish such information and permit such examination and audit to be made as the Dominion may deem necessary, and no financial assistance by way of loan, advance or guarantee shall be granted to any province under this Act unless the province furnishes the Dominion, from time to time as required, with certified statements as to its financial position in such detail and in such form as the Dominion may require.

UNEMPLOYMENT AND AGRICULTURAL ASSISTANCE ACT, 1939

3 *Geo. VI c. 26*:

5. (1) The Governor in Council, where necessary, may out of any unappropriated moneys in the Consolidated Revenue Fund, grant financial assistance to any province by way of loan, advance or guarantee for the purpose of assisting the province to pay its share of expenditures incurred for the purposes mentioned in paragraph (a) of section 4 of this Act, and for the same purposes under the provisions of the Youth Training Act, 1939, to an amount not exceeding in the aggregate the maximum amount which may be payable by the province for its share of such expenditures under any agreement between the Dominion and the province entered into under the authority of this Act or The Unemployment and Agricultural Assistance Act, 1938 or The Youth Training Act, 1939, as well as the amount for which the province may be obligated by way of loan in connection with the cost of any undertaking for which commitments were made under The Unemployment and Agricultural Assistance Act, 1938, and which may be continued under agreements entered into under the authority of this Act.

(2) The Governor in Council may review or consolidate, for such periods and upon such terms as the Governor in Council may determine, loans, advances or guarantees made, given or renewed under the authority of The Unemployment Relief and Assistance Act, 1936, the Unemployment and Agricultural Assistance Act, 1937, The Unemployment and Agricultural Assistance Act, 1938, or this Act and may accept such Treasury Bills, bonds, debentures or other securities as may be approved by the Governor in Council as security for the payment of any indebtedness due by a province to the Dominion arising out of expenditures, advances or loans heretofore or hereafter made for the alleviation of unemployment conditions and of agricultural distress and to assist those in need.

6. No financial assistance shall be granted to any province under this Act unless the province agrees to furnish such information and permit such examination

and audit to be made as the Dominion may deem necessary, and no financial assistance by way of loan, advance or guarantee shall be granted to any province under this Act unless the province furnishes the Dominion, from time to time as required with certified statements as to its financial position in such detail and in such form as the Dominion may require.

THE UNEMPLOYMENT AND AGRICULTURAL ASSISTANCE ACT, 1940

4 *Geo. VI c. 23*:

3. The Governor in Council may enter into agreements:

- (a) with any of the provinces respecting the alleviation of unemployment conditions and of agricultural distress therein and to assist those in need;
- (b) with corporations or partnerships or individuals engaged in industry respecting the expansion of industrial employment;

and such agreements may provide for payments for any of the purposes aforementioned to be made out of moneys appropriated by Parliament for the fiscal year 1940-41.

4. (1) The Governor in Council in cases where in his opinion the circumstances make it necessary in the national interest, and subject to such requirements and conditions as he may consider advisable, may, out of the unappropriated moneys in the Consolidated Revenue Fund, grant financial assistance to any province by way of loan, advance or guarantee for the purpose of assisting the province to pay its share of expenditures incurred for the purposes mentioned in paragraph (a) of section 3 of this Act, and for the same purposes under the provisions of the Youth Training Act, 1939, to an amount not exceeding in the aggregate the maximum amount which may be payable by the province for its share of such expenditures under any agreement between the Dominion and the province entered into under the authority of this Act or The Unemployment and Agricultural Assistance Act, 1939, or the Youth Training Act, 1939.

(2) The Governor in Council may renew or consolidate, for such periods and upon such terms as the Governor in Council may determine, loans, advances or guarantees made, given or renewed under the authority of The Unemployment Relief and Assistance Act, 1936, The Unemployment and Agricultural Assistance Act, 1937, The Unemployment and Agricultural Assistance Act, 1938, The Unemployment and Agricultural Assistance Act, 1939, or this Act and may accept such Treasury Bills, bonds, debentures or other securities as may be approved by the Governor in Council as security for the payment of any indebtedness due by a province to the Dominion arising out of expenditures, advances or loans heretofore or hereafter made for the alleviation of unemployment conditions and of agricultural distress and to assist those in need.

5. No financial assistance shall be granted to any province under this Act unless the province agrees to furnish such information and permit such examination and audit to be made as the Dominion may deem necessary, and no financial assistance by way of loan, advance or guarantee shall be granted to any province

under this Act unless the province furnishes the Dominion, from time to time as required, with certified statements as to its financial position in such detail and in such form as the Dominion may require.

AGRICULTURAL INSTRUCTION

3-4 Geo. V c. 5:

3. For the purpose of aiding and advancing the farming industry by instruction in agriculture, and for the purposes authorized by this Act, the following sums, aggregating ten million dollars, shall be appropriated and paid out of the Consolidated Revenue Fund of Canada during each fiscal year for the period of ten years beginning with the year ending the thirty-first day of March, one thousand nine hundred and fourteen namely:—

During the fiscal year ending the thirty-first day of March, one thousand nine hundred and fourteen, the sum of seven hundred thousand dollars;

During the fiscal year ending the thirty-first day of March, one thousand nine hundred and fifteen the sum of eight hundred thousand dollars;

During the fiscal year ending the thirty-first day of March, one thousand nine hundred and sixteen, the sum of nine hundred thousand dollars;

During the fiscal year ending the thirty-first day of March, one thousand nine hundred and seventeen the sum of one million dollars;

During the fiscal year ending the thirty-first day of March, one thousand nine hundred and eighteen, the sum of one million one hundred thousand dollars; and the like sum of one million one hundred thousand dollars during each of the succeeding fiscal years until the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-three; provided that any portion of any of the above sums which may remain unearned or unpaid at the expiration of any of the said fiscal years previous to the last shall be carried forward and remain available according to its apportionment for the purposes of this Act during any one or more of the succeeding years.

4. The money appropriated for each year shall be apportioned and paid as follows:—

- (a) An amount not exceeding twenty thousand dollars shall be paid in each year to assist in the work of veterinary colleges established in the provinces, the said annual amount to be distributed among the colleges qualified and legally authorized to grant degrees in veterinary science in proportion to the number of students enrolled at the said colleges respectively for the previous year and in accordance with such regulations and conditions as may be prescribed by the Minister;
- (b) The sum of twenty thousand dollars shall be paid in each year to the Government of each province;
- (c) The remainder of the appropriation for each year shall be allotted and paid to the Governments of the respective provinces in proportion to the populations of the said provinces as determined by the latest decennial census.

5. The payments hereinbefore authorized shall, as to each province, be conditional upon agreement between the Minister and the Government of the province as to the terms, conditions and purposes, within the meaning of this Act, upon and for which the payments are to be made and applied, and such agreement shall be subject to the approval of the Governor in Council.

EMPLOYMENT OFFICES

8-9 Geo. V c. 21:

4. For the purposes of such organization and co-ordination, and subject to the conditions set forth in section seven, the following sums shall be appropriated and paid out of the Consolidated Revenue Fund of Canada during each fiscal year beginning with the fiscal year beginning the first day of April, one thousand nine hundred and eighteen, namely:—

During the fiscal year beginning the first day of April, one thousand nine hundred and eighteen, the sum of fifty thousand dollars;

During the fiscal year beginning the first day of April, one thousand nine hundred and nineteen, the sum of one hundred thousand dollars;

During each succeeding fiscal year the sum of one hundred and fifty thousand dollars.

5. The moneys appropriated for each year shall be allotted and paid to the Governments of the respective provinces in the proportion which their expenditure for the maintenance of employment offices bears to the total of the expenditures of all the provinces for such purposes, but in no case shall the allotment to any province exceed one half the amount expended for the maintenance of employment offices by such province.

10-11 Geo. V c. 25:

3. Section five of the said Act is amended by adding thereto the following subsection:—

(2) Notwithstanding anything in subsection one of this section, the Minister may in any year set aside from the moneys allotted to a province such sum as may seem desirable for the maintenance of employment offices, where none is operated by the provincial government, provided that, before any such employment office is assisted under this Act the Minister shall be satisfied that the provincial government concerned does not propose to establish employment offices in accordance with this Act within a reasonable time, and provided further that the sum so set aside shall be allotted to such employment offices, but in no case shall the allotment exceed one-half of the amount expended for the maintenance of such offices.

HIGHWAYS

9-10 Geo. V c. 54:

3. (1) For the purpose of constructing and improving highways in Canada the Governor in Council may authorize the payment out of the Consolidated Revenue Fund of Canada of the sum of twenty million dollars during the period of five years from the first day of April, one thousand nine hundred and nineteen.

(2) Subject to the conditions hereinafter mentioned, such sum shall be allotted and paid as follows:—

- (a) Eighty thousand dollars shall be paid each year to the Government of each province;
- (b) the remainder of such sum shall be allotted and paid to the Governments of the respective provinces in proportion to the populations of the said provinces respectively, as determined by the latest Federal census of each province.

TECHNICAL EDUCATION

9-10 *Geo. V c. 73*:

4. (1) For the purpose of promoting and assisting technical education in Canada, the following sums, aggregating ten million dollars, shall be appropriated and paid out of the Consolidated Revenue Fund of Canada during each fiscal year for the period of ten years beginning with the year ending the thirty-first day of March, one thousand nine hundred and twenty, namely:—

- (a) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty, the sum of seven hundred thousand dollars;
- (b) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-one, the sum of eight hundred thousand dollars;
- (c) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-two, the sum of nine hundred thousand dollars;
- (d) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-three, the sum of one million dollars;
- (e) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-four, the sum of one million one hundred thousand dollars;

and a like sum of one million one hundred thousand dollars during each of the succeeding fiscal years until the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-nine.

(2) Such sums, subject to the conditions of this Act, shall be allotted and shall be paid quarterly as grants to the Governments of the several provinces as follows:—

- (a) the sum of ten thousand dollars shall be paid in each year to the Government of each province;
- (b) the remainder of the appropriation for each year shall be allotted and paid to the Governments of the respective provinces in proportion to the population of the said provinces respectively as determined by the last federal decennial census.

OLD AGE PENSIONS

17 *Geo. V c. 35*:

3. The Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during

the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions specified in this Act and the regulations made thereunder.

21-22 *Geo. V c. 42*:

3. (1) The Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to seventy-five per centum of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payments of such pensions to the persons and under the conditions specified in this Act and the regulations made hereunder.

OLD AGE PENSIONS AND PENSIONS FOR THE BLIND AGREEMENTS

MEMORANDUM OF AGREEMENT made the 11th day of June, A.D. 1929.

Whereas by the Old Age Pensions Act, 1929, of Ontario, hereinafter called the "Provincial Act", the Lieutenant-Governor in Council is in effect authorized to enter into an agreement with the Governor General in Council as to a general scheme of old age pensions in the Province, pursuant to the provisions of the "Old Age Pensions Act", being Chapter 156 of the Revised Statutes of Canada, 1927, and the regulations made thereunder, said Act and regulations together with such alterations in the regulations as may be made from time to time with the consent of the Province being hereinafter called the "Dominion Act" and for the payment by the Dominion to the Province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by the Province for old age pensions pursuant to the provisions of the Provincial Act and Order of the Lieutenant-Governor in Council hereinafter referred to; and

Whereas section 4 of the Provincial Act provides in effect, that the Lieutenant-Governor in Council may by Order authorize and provide for the payment of old age pensions to the persons and under the conditions specified in the Dominion Act; and

Whereas by Order of the Lieutenant-Governor in Council dated the 22nd day of May, 1929, provision has been made for payment of the said old age pensions pursuant to the terms of this agreement; and

Whereas under the provisions of the Dominion Act the Governor in Council is in effect authorized to enter into an agreement with the Province for the payment to the Province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by the Province for pensions pursuant to the Provincial Act, and providing for the payment of such pensions under the conditions specified in the Dominion Act; and

Whereas the Governor in Council has by Order in Council of the 21st December, 1928, (P.C. 119/2298), made regulations under the powers conferred by the Old Age Pensions Act of Canada, and

Whereas the Minister of Labour for Canada, and the Prime Minister for Ontario have been respectively authorized by the parties hereto to enter into an agreement in the terms hereinafter set forth.

NOW, IN CONSIDERATION OF THE PREMISES AND THE RESPECTIVE AGREEMENTS BY AND ON BEHALF OF THE PARTIES HERETO, HEREINAFTER SET FORTH, THIS MEMORANDUM OF AGREEMENT WITNESSETH:

1. On, from and after the first day of November, 1929, the Province agrees to pay to each person who, upon application by such person is found by the pension authority to be entitled to receive a pension under the provisions of the Dominion Act, the sum of two hundred and forty dollars yearly, each of such payments to be subject to reduction as provided by the Dominion Act, and all of such payments, whether as to amount or otherwise, to be subject to and governed by the provisions of the Dominion Act.

2. The Province further agrees on its part to comply with all the provisions, stipulations, provisoes and conditions contained in the Dominion Act.

3. The Dominion agrees to pay to the Province quarterly in accordance with and subject to the provisions of the Dominion Act an amount equal to one-half of the net sum paid out during the preceding quarter by the province, pursuant to the provisions of this agreement.

IN WITNESS WHEREOF, etc.

MEMORANDUM OF AGREEMENT made the first day of November, 1943.

Whereas under the terms of agreements dated the 11th day of June, 1929, the 30th day of April, 1932,* and the 1st day of September, 1937,* entered into between the Dominion and the Province pursuant to the provisions of the Old Age Pensions Act, chapter 156, R.S.C., 1927, as amended, and of The Old Age Pensions Act, 1929, chapter 73 of the Statutes of Ontario for the Session of 1929, and The Old Age Pensions Act, chapter 314, R.S.O. 1937, the Province agreed to pay old age pensions and pensions in respect of blindness to the persons and under the conditions specified in the Act first above cited and the regulations made thereunder, and the Dominion agreed to pay to the Province quarterly an amount equal to seventy-five per centum of the net sum so paid out during the preceding quarter by the Province for such pensions;

And whereas under the provisions of Dominion Order in Council P.C. 6367 dated the 10th day of August, 1943, the Dominion is, in effect, authorized to enter into a supplementary agreement with the Province for the payment to the Province out of the War Appropriation of additional amounts based on a maximum pension of \$300.00 yearly (in place of \$240.00 yearly), subject to reductions as provided in the Order in Council aforesaid;

And whereas the Province desires to enter into a supplementary agreement with the Dominion as aforesaid;

And whereas legislation authorizing the execution of this agreement by the said Minister of Public Welfare will be introduced at the next Session of the Legislative Assembly of Ontario;

And whereas the Minister of Finance for Canada and the Minister of Public Welfare for Ontario have been respectively authorized to enter into a supplementary agreement accordingly;

* These supplementary agreements, not reproduced here, provided for the inclusion of pensions for the blind and the increasing of the Dominion's share from 50% to 75%.

Now, in consideration of the premises and the respective agreements by and on behalf of the parties hereto, hereinafter set forth, this memorandum of agreement witnesseth that the parties hereto agree that the agreements aforesaid shall be modified as follows:

The maximum pension payable shall be \$300.00 yearly, (except in the case of a blind person who marries a blind person, in which case the maximum pension shall be \$150.00 yearly), which shall be subject to reduction as follows:

- (a) In the case of an old age pensioner, by the amount of the income of the pensioner in excess of \$65.00 a year.
- (b) In the case of a blind pensioner who is unmarried or a widower without a child or children or a widow without a child or children, by the amount of the income of the pensioner in excess of \$140.00 a year.
- (c) In the case of a blind pensioner who is married or a widower with a child or children or a widow with a child or children, by the amount of the income of the pensioner in excess of \$340.00 a year.
- (d) In the case of a blind pensioner married to a blind person receiving a pension in respect of blindness under the Old Age Pension Act, by the amount of the income of the pensioner in excess of \$140.00 a year.
- (e) In the case of a blind pensioner who marries a blind person, by the amount of the income of the pensioner in excess of \$170.00 a year.

Except as herein otherwise provided, all the provisions of the Old Age Pensions Act (Canada) and the regulations passed thereunder shall apply to the payment of pensions paid in pursuance of this Agreement.

In witness whereof, etc.

MEMORANDUM OF AGREEMENT made the 1st day of April, 1944.

This agreement, not reproduced here, amends the agreement dated November 1, 1943, by increasing the limits of private income as follows:

	<i>From</i>	<i>To</i>
Persons specified in clause (a)	\$ 65.00	\$125.00
(b)	140.00	200.00
(c)	340.00	400.00
(d)	140.00	200.00
(e)	170.00	no change

YOUTH TRAINING

3 Geo. VI c. 35:

3. For the purpose of promoting and assisting in the training of unemployed young people to fit them for gainful employment in Canada, the following sums aggregating four million five hundred thousand dollars, shall be appropriated and paid out of the Consolidated Revenue Fund of Canada during each fiscal year for the period of three years beginning with the year ending the thirty-first day of March one thousand nine hundred and forty, namely:

- (a) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and forty, one million five hundred thousand dollars;

- (b) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and forty-one, the sum of one million five hundred thousand dollars;
- (c) during the fiscal year ending the thirty-first day of March, one thousand nine hundred and forty-two the sum of one million five hundred thousand dollars.

6. The grant payable to any province in any year under the provisions of this Act shall be determined by the Governor in Council: Provided that the amount allotted to a province shall not exceed an amount equivalent to that which the provincial government shall agree to expend on projects undertaken under the provisions of this Act within such year.

REHABILITATION TRAINING

6 *Geo. VI c. 34*:

4. (2) No agreement made in respect of any of the matters set out in paragraphs (b) to (e), both inclusive, of subsection one of this section, shall provide for payment to the province of a percentage of the cost of any vocational training project, including the cost of training facilities, in excess of the percentage of such cost contributed by the province.

PHYSICAL FITNESS PROGRAM

7 *Geo. VI c. 29*:

7. Where a province establishes an organization for the purpose of co-operating with the Council in carrying out the provisions of this Act, and such province undertakes to develop a plan of physical fitness satisfactory to the Minister, the Minister may, with the approval of the Governor in Council, enter into an agreement covering any period with such province to provide, out of the Fund, financial assistance for the purpose of assisting such province in carrying out such plan, but the amount of such financial assistance in any year shall not exceed a sum which bears the same proportion to the sum of two hundred and twenty-five thousand dollars as the population of such province as shown by the last decennial census bears to the population of Canada as shown by such census, or an amount equal to one-half of the moneys actually expended by such province in carrying out such plan, whichever is the less.

VOCATIONAL TRAINING CO-ORDINATION ACT 1942 YOUTH TRAINING AGREEMENT

Whereas The Vocational Training Co-ordination Act, 1942 empowers His Excellency the Governor in Council to enter into agreements with any of the provinces relative to the continuation after March 31, 1942 of projects for training theretofore carried on under the Youth Training Act, 1939;

And whereas it is deemed expedient that the conditions pursuant to which the Dominion will assist the Province, in carrying on such projects, should be embodied in a written agreement;

Now therefore it is agreed by and between the parties hereto as follows:

1. In this Agreement, unless the context otherwise requires, the expression

"Minister" means the Minister of Labour of Canada;

2. Subject to the terms and conditions herein contained, the Dominion will pay to the Province fifty per centum (50%) of the costs (listed in Appendix Y and not excepted in Appendix "X" of this agreement) incurred by the Province during the period April 1, 1945 to March 31, 1946 inclusive, in the training as aforesaid, up to but not in excess of a total Dominion payment for said term and purposes of.....

3. It shall be a condition precedent to any payment by the Minister under this agreement, that such training shall be carried out by the Province in accordance with schedules approved in writing by the Minister and the Province. A schedule when so approved shall form part of this agreement as effectively as though originally incorporated herein but may be amended or cancelled upon application in writing on behalf of the province, by the Minister or by the Deputy Minister of Labour of Canada, or the Dominion Director of Training if authorized by the Minister for that purpose.

4. Whenever any question arises as to the liability of the Dominion to contribute to any expenditure certified as having been incurred pursuant to the terms of this Agreement, the decision of the Minister in respect thereto shall be final and conclusive, after consultation with the Province.

5. The selection of those persons who are to participate in projects authorized under this Agreement shall be made by the Province, from suitable applicants, male or female, from sixteen (16) years of age to thirty (30) years of age inclusive, except where otherwise specified in a schedule to this agreement.

The Dominion after consultation with the Province, may appoint a representative in the Province for the purposes of this agreement and where such appointment is made, all lists of applicant trainees selected as aforesaid shall be approved in writing by him before any expenditures incurred in connection with them shall be shareable by the Dominion. All said selections shall be made without discrimination or favour in relation to the racial origin, religious views or political affiliations of those eligible.

6. Courses of training or instruction established by the Province in accordance with the provisions of this agreement shall be given at such centres as in the discretion of the Province are best adapted to the numbers of persons suitable for training located in the different sections of the Province and to local needs and conditions.

Should the number of trainees receiving or whom it is proposed will receive instruction in any course fall below or fail to come up to the minimum prescribed in the appropriate schedule for such class of courses, the Dominion reserves the right after consultation with the Province and upon notification to the Province to refuse contributions to the costs thereafter incurred with respect to such course.

7. The Province undertakes to have as favourable classification as possible created and applied under Provincial Workmen's Compensation Act schedules or regulations, in respect to all individuals who participate in the projects authorized by this agreement, including those who provide and service the instruction and those who receive same, and to carry a reasonable amount of protection against accident to any person not covered

by Workmen's Compensation schedules who may be injured while properly upon the premises where any of said projects are being conducted during the term of this agreement. Without admitting liability in respect of any accidents which may occur by reason of the operation of any of the aforesaid projects, the Dominion agrees that the cost of the aforesaid protection incurred during the term of this agreement shall be shareable hereunder.

8. Except as in this Agreement otherwise specifically provided, the Province shall bear its own expenses of administration and other expenses, costs and damages enumerated in Appendix "X" hereof (subject only to the exceptions therein specified) in connection with the execution and carrying on of all projects, classes and instruction authorized or which may be authorized under this Agreement and no portion of said expenses, costs or damages (subject only to the exceptions aforementioned) shall be included in any statement of account rendered by the Province, pursuant to this Agreement for payment by the Dominion.

9. The Province agrees to maintain adequate records of all expenditures and commitments made in respect of this Agreement, such records to be segregated from, although reconciled with the continuing books of accounts of the Province, and undertakes to furnish such information and produce such records, documents and files directly or indirectly connected with the operation of this Agreement, as the Minister may deem necessary to permit full examination and audits of the related accounts to be made.

10. The Province will, if possible, within 30 days, but in any event not later than 120 days after the last day of the month in which any expenditures pursuant to this Agreement have been made, submit claims to the Treasury Officer acting on behalf of the Minister for payment of any costs incurred by the Province pursuant to this Agreement. No claim submitted later than 120 days after the last day of the month in which the expenditures in respect of which such claim is submitted were incurred, shall be paid by the Minister unless in the special circumstances of a particular claim such time is extended by the Minister, the Deputy Minister of Labour of Canada or the Dominion Director of Training.

11. Statements of accounts for expenditures made by the Province when submitted for Dominion contribution pursuant to the provisions of this Agreement shall be accompanied by a certificate of the Provincial Auditor, and be in such form as the Dominion may direct from time to time.

12. It is understood and agreed that all moneys received by the Province from the Dominion pursuant to the provisions of this agreement shall be used solely for the purposes of the Agreement and disbursements of the Province shall not be or become eligible for payment of the contributions of the Dominion unless they are made in legal tender or by cheque or other instrument drawn on a chartered bank.

13. The Province shall furnish to the Dominion a monthly report or reports setting forth such statistical and other information relative to the carrying on of this Agreement in such form as the Dominion Director of Training may request.

14. The Dominion Director of Training may, at any time, after consultation with the Province, direct an examination in connection with any measures executed or being executed pursuant to this Agreement and the Province will facilitate, as fully as it can, every such examination.

15. This Agreement shall be retroactive to and include April 1, 1945 and shall expire on March 31, 1946.

APPENDIX "X"

Except as otherwise specifically provided in this Agreement or in any approved Schedule thereof, the Dominion will not contribute to Provincial expenditures incurred for any of the following items:

1. (a) The cost of lands or buildings;
- (b) Rentals for Provincially or municipally owned buildings but where such buildings are not available and additional accommodation is required for authorized projects, fair rentals for the required space shall be shareable.
- (c) The cost of alterations and/or repairs, amounting in any instance to over \$50.00, when made to or upon any building for the purposes of this Agreement, unless such alterations and/or repairs have been approved in writing by the Dominion Director of Training prior to being undertaken.
2. Cost and rental of office equipment and cost of office supplies and office and stenographic services, telephone tolls or rentals and telegraphic charges except where such costs have been approved in writing by the Dominion Director of Training.
3. Overhead expenses added to cost of materials supplied from Provincial or municipal stores.
4. Damages or costs resulting from injury to persons; other than first aid and the cost of protection as provided in Clause 7 of this Agreement.
5. Damages or costs resulting from injury to real property or from injury to or loss of personal property.
6. Taxes, licence fees and permits; legal, advisory and consulting fees and salaries.
7. The remuneration or bonus paid to any person who, at the date of assuming duties in connection with any project authorized by this Agreement, is in the employ of the Dominion, Province or any participating municipality *except* in such cases as the Dominion Director of Training may approve of in writing upon written representations by the Province.
8. Regular or ordinary salaries or wages of instructors or employees of the Dominion, Province or municipality who have provided, as a part of their regular duties, any training or instruction authorized by this Agreement.
9. The costs of the Province in respect of the administration of training given under this Agreement except such costs as are listed in Appendix "Y" to this Agreement.

APPENDIX "Y"

Costs incurred or expenditures made by the Province for the following matters, in respect of projects authorized under this Agreement, shall be shared by the Dominion.

1. Salaries of instructors or teachers whose services are used full time, or part time for classes authorized under any schedule of this Agreement, subject to Clauses 7 and 8 of Appendix "X"; such salaries to be determined by the Province in accordance with the rates prevailing in the locality in which they are employed.
2. Salaries of supervisors, school principals and other staff specially engaged by the Province in respect of projects authorized under this Agreement provided persons so engaged, their duties, and the terms of their engagements shall have been first mutually agreed upon in writing between the Province and the Dominion Director of Training.
3. Necessary travelling expenses (air transportation excluded) in connection with projects authorized under this Agreement for (a) persons appointed under Clauses 1 or 2 above (b) trainees from their respective homes to a training project and return, not in excess of one round trip fare (including necessary stop-over expenses) per trainee.
4. Living allowances for trainees (mutually agreed on in writing between the Province and the Dominion Director of Training) to enable them to attend classes authorized under this agreement.
5. Actual cost of board and lodging supplied to trainees in residences or boarding camps operated under any schedule of this Agreement such actual costs to include the cost of erecting and maintaining, during the term of an authorized project, necessary temporary camp buildings and structures used solely for the aforementioned board and lodging purposes with such maintenance being subject to terms of Regulation 1 (c) of Appendix "X".
6. Tuition fees at rate usually charged non-resident pupils by Provincially or municipally controlled schools for trainees under any schedule of this Agreement who may be admitted for training in a regular course operated by such schools.
7. Rental of machinery and equipment (except when owned by the Province or Dominion) used for carrying out training under this Agreement.
- 7A. Rentals of premises used for projects under the Agreement subject to provisions of Clause 1 (b) of Schedule "X".
8. Maintenance and repair of all machinery and equipment used exclusively for training under a Dominion-Provincial Training Agreement except for items rented under Clause 7 above.
9. Machinery and equipment necessarily purchased for the purpose of carrying on training under this agreement up to a total amount not exceeding 10% of the total estimated cost of the schedule under which it will be used but with authority vested in the Dominion Deputy Minister of Labour or the Dominion Director of Training to approve an increase in this percentage where such increase is advisable and is requested by the

Province. All machinery and equipment so purchased must remain available for the purpose of training under this Agreement, wherever required in the province, but, when no longer required for such purpose, it will become the sole property of the Province.

10. Expendable small tools, materials, supplies and text books necessary for projects authorized under this Agreement.
11. Medical Aid, other than hospitalization, supplied to trainees while living in residential schools or training camps.
12. Maintenance of first aid facilities in training centres.
13. Printing of application forms and related information if subject matter has been mutually agreed upon between the Province and the Dominion Director of Training.
14. Provision of a reasonable amount of recreational activities and physical training for trainees under this Agreement.
15. Publicity and advertising for projects authorized under this Agreement, up to a total amount not exceeding in any one fiscal year one per cent of the total Dominion allotment to the Province under this Agreement for such year, provided that all such publicity and advertising adequately indicates the joint nature of the Training Program as between the Dominion and the Province.
16. Light, heat, power, water and necessary caretaking services in any centre operated solely for the purposes of this Agreement and, in centres used in part for training under this Agreement, the increased cost to such centre for the above listed items.
17. Costs in respect of matters incidental to, and in the same classes of matter as the foregoing, if approved in writing by the Dominion Director of Training.

WAR EMERGENCY TRAINING AGREEMENT

SCHEDULE "K" (1945-1946)*

Province of

A project designed to train individuals for skilled or semi-skilled occupations connected with the war and war work.

Estimated total cost to the Dominion \$

This Schedule shall be operated subject to the following regulations and the regulations of Appendices "X" and "Y" of this Agreement;

1. Training under this Schedule may be given to the following:
 - (a) Workers and prospective workers in industries engaged in War Production or in Essential Civilian Production (designated by the Wartime Prices and Trade Board).
 - (b) Workers in farming in types of courses requested by the Dominion Department of Agriculture or by National Selective Service.
 - (c) Workers for War Departments of the Dominion Government.
 - (d) Tradesmen for the Armed Forces.

* For Schedule "L", see page

2. Admission to full time pre-employment classes under 1(a) and 1(b) above shall be restricted to trainees having the necessary permits from National Selective Service. Trainees under 1(c) above shall be selected by the appropriate representatives of the Dominion Government. Trainees under 1(d) shall be enlisted personnel selected by the appropriate officers of the Forces.
3. Approximately 40 hours instruction shall be given per week in all full time pre-employment classes and the length of the course in such classes shall be such as to meet the requirements of the prospective employer but no course shall last for less than two weeks. The length of courses and the syllabi for tradesmen for the Forces shall be determined by the branch of the armed services concerned.
4. At the request of an employer, special part-time classes may be held for groups of workers selected by the company concerned. Such classes may be held in schools or in Industrial Establishments but if in the latter, the industry shall furnish, without cost, the necessary accommodation and equipment. Instruction may be given in such subjects and in such manner and at such times as is requested by the employer so far as the available facilities permit. No allowances shall be paid by the Dominion to trainees in such part-time classes but payment shall be made for instructors (Regulation 1, Appendix "Y") and for necessary classroom materials and supplies.
5. Each trainee in a full-time pre-employment class who satisfactorily completes a course of training lasting eight weeks or over shall be given a certificate setting forth the type of work for which the holder is trained, the time spent in training and the rating. Trainees who have satisfactorily completed a course lasting less than eight weeks shall not be given the certificate mentioned above but shall be provided with a signed statement of attendance showing the period spent in training; the nature of the training given.
6. The Regional Director shall forward to the Dominion Director a monthly report for each training centre on the forms authorized. Such reports to reach the Dominion Director by the 10th of the month next following the month for which the report is compiled.
7. Assistance may be given to industries desiring to carry on plant schools on their own premises provided the arrangements for each plant school have first been approved in writing by the Dominion Director of Training.
 - (a) The following conditions are essential to approval:
 - (1) Adequate facilities.
 - (2) Satisfactory organization and method of instruction.
 - (3) Co-operative supervision by the industry and a representative of C.V.T.
 - (b) Dominion financial assistance is limited to:
 - (1) The payment of salaries to instructors and/or instructor supervisors whose full time is devoted to training in the plant school up to an amount not in excess of \$200.00 per instructor per month.
- (2) Allowances to trainees as in Regulation 3(b) Appendix "Y" of this Agreement.
- (3) Cost of any part-time supplementary classroom instruction as in Regulation 4 of this Schedule.
- (c) The industry shall supply training accommodation, machinery and equipment, tools, materials, supplies, light, heat and power, etc., free of charge.
- (d) Trainees may be either men or women and may be selected from applicants, approved by the industry, from outside sources or from persons already in the employ of the industry.
- (e) The length of the training period and the content of training shall be determined by the industry but payments of allowances to trainees shall not exceed a period of twelve weeks except that, upon representations made by the Regional Director and the industry, the Dominion Director may authorize payment for an additional period not in excess of twelve weeks where he is satisfied that such longer period is necessary for the trainees to attain the degree of skill required.
8. Classes for the training of supervisors and foremen may be held under this Schedule provided that the costs payable by the Dominion shall include the following:—
 - (a) Salaries and travelling expenses of those conducting classes (Regulation 4(a) and 14(a) Appendix "Y") such persons may be either full time or part-time officers of C.V.T., or loaned by industry, vocational schools or other organizations.
 - (b) Materials and supplies (Regulation 5 Appendix "Y").
9. Classes to train Social Welfare Aides, whose services will be used by social agencies carrying on work at the request of War Departments of the Dominion Government, may be included in classes held under Regulation 1(c) of this Schedule. They shall last for approximately three months and be organized and conducted through existing schools of social work. Costs payable by the Dominion may include allowances to trainees (Regulation 3(a) Appendix "Y"); travelling expenses to trainees including car fare while engaged in practical field work (Regulation 4(b) Appendix "Y"); Instructional costs to the schools of social work which may be paid as a straight tuition fee (approved by the Dominion Director of Training) for each trainee; Advertising and publicity (Regulation 8 Appendix "Y").

APPRENTICE TRAINING

Whereas The Vocational Training Co-ordination Act, 1942 empowers the Minister with the approval of His Excellency the Governor General in Council to enter into agreement with any province relative to the training of apprentices;

And whereas His Excellency the Governor General in Council has by F.C. . . . of . . . given approval to such agreement;

And whereas it is deemed expedient that the conditions under which the Dominion will assist the province in carrying on the training of apprentices should be embodied in a written agreement;

Now therefore it is agreed by and between the parties hereto as follows:—

1. Subject to the terms and conditions herein contained, the Minister will pay to the province an amount not in excess of the provincial contribution to costs approved under Schedule "Y" of this agreement and incurred by the province during each Dominion fiscal year, and in any event not in excess of for the Dominion fiscal year ending March 31, 1945, and for each ending Dominion fiscal year to an amount not in excess of such amount as the Governor General in Council may determine for each fiscal year during the term of this agreement provided such amount is not less than the amount allotted to the province for the previous fiscal year unless the province concurs in such a reduction.

2. It shall be a condition precedent to any payment by the Minister under this agreement that the province shall pass or shall have on its statute books an apprenticeship Act or its equivalent and shall designate a provincial officer to be responsible for the administration of all apprenticeship plans approved by the province and carried on under the terms of this agreement.

3. It shall be a further condition precedent to any payment by the Minister under this agreement that apprentice training shall be carried on by the province in accordance with a schedule or schedules descriptive of such training and including regulations governing its conduct which schedules shall be mutually approved by both parties to this agreement. Any schedule so approved by the Minister shall form part of this agreement but may be amended or cancelled, upon application in writing on behalf of the province, by the Minister, or the Deputy Minister of Labour of Canada or by the Dominion Director of Training, if authorized by the Minister for that purpose.

4. Under the terms of this agreement an apprentice means a person at least 16 years of age who enters into a written agreement with an employer to learn a skilled trade requiring a minimum of 4,000 hours of reasonably continuous employment and which provides a program of practical experience and related technical instruction for such person.

5. Whenever any question arises as to whether any costs of training aforesaid, incurred by the province, are shareable by the Dominion under the terms of this agreement, the decision of the Minister in respect thereto shall be final and conclusive.

6. It is understood and agreed that all moneys received by the province from the Dominion pursuant to the provisions of this agreement shall be used solely for the purpose of this agreement and disbursements of the province shall not be or become eligible for payment of the contributions of the Dominion unless they are made in legal tender or by cheque or other instrument drawn on a chartered bank.

7. The province agrees to maintain adequate records of all expenditure and commitments made in respect of this agreement, such records to be segregated from, although reconciled with, the continuing books of

accounts of the province, and undertakes to furnish such information and produce such records, documents and files directly or indirectly connected with the operation of this agreement, as officers of the Dominion may deem necessary to permit full examination and audits of the related accounts to be made.

8. It is understood and agreed that the Dominion shall not be liable to contribute to any claim for expenditure submitted by the province under the terms of this agreement unless such claim is submitted within 120 days next after the last day of the month in which the expenditure described in the claim was incurred. In any case where it was impossible to submit such claim within 120 days an extension of such time may be granted by the Dominion Director of Training on the recommendation of the Dominion Treasury Officer for the Department of Labour.

9. Statements of accounts for expenditures made by the province, when submitted for Dominion contribution pursuant to the terms of this agreement shall be accompanied by a certificate of the Provincial Auditor and be in such form as the Dominion may direct from time to time.

10. The province shall furnish the Dominion reports setting forth such statistical and other information relative to the carrying out of this agreement in such form and at such times as the Dominion Director of Training may request.

11. The Dominion Director of Training may, at any time, direct an examination in connection with any measures executed, or being executed pursuant to this agreement, and the province will facilitate, as fully as it can, such examination.

12. This agreement shall be retroactive to and include April 1, 1944 and shall expire on March 31, 1954, subject to prior termination on six months' notice of either party.

SCHEDULE "A"

Any apprenticeships carried on under this Agreement shall conform to the following regulations:—

1. Training shall be restricted to apprentices as defined in Clause 4 of this Agreement.
2. All apprentices under this Agreement shall be approved by the Province's Apprenticeship Authorities and shall be registered and their training supervised by them in the manner determined by the Province.
3. Apprenticeship under this Agreement may be (a) in trades designated by the Provincial Act. (b) in trades under a collective agreement between an employer and a trade union. (c) a private plan carried on by industry provided all such apprenticeship conforms to the regulations laid down in this Schedule and provided further that apprenticeships under (b) or (c) are approved by the province.
4. The Province after consultation with employers and workers shall appoint an Advisory Committee or Committees as it deems necessary, with duties and functions as determined by the Province. Each such Committee shall include an

equal number of employers and workers as well as representatives of the Provincial Departments of Labour and Education.

5. There shall be a written indenture of Apprenticeship to be signed by the employer and the apprentice and where the latter is a minor, by his or her parent or guardian. The form of the indenture shall be determined by the Province.
6. There shall be a minimum scale of wages for the apprentice with increases at fixed intervals. Where rates of wages have been determined by a collective Labour Agreement, such rates shall apply provided they are not less than the minimum rates which have been, or may be established by law.
7. There shall be a definite length of apprenticeship determined in accordance with the requirements of each trade but in no case less than 4,000 hours (2 years). Appropriate time Credit shall be granted persons with previous experience in the trade, experience as tradesmen in the armed forces or trade training in a vocational school. No apprentices shall be recognized under this agreement in any occupation normally requiring less than 4,000 hours training to attain proficiency.
8. Apprentices may be indentured to an individual employer, an industry or to any other responsible organization at the discretion of the Province.
9. Provision shall be made for the cancellation of an Apprenticeship contract by the Province for cause and for the transfer of apprentices to another employer for cause.
10. At the beginning of each apprenticeship, there shall be a probationary period during which the apprenticeship may be terminated at the request of the employer or apprentice but such probationary period shall be included in the period of the apprenticeship.
11. There shall be drawn up for each trade a Schedule of training, setting forth the different parts of the trade to be covered and the approximate length of time that should be spent on each part with provision for theoretical and technical class instruction in related subjects to be arranged by the Province at suitable times and places.
12. Apprentices may be taken off the job with the employer with his consent and put in full-time classes for a period not in excess of three months per year during which time they may receive weekly allowances as set forth in Schedule "Y" 2(b) which the employer may supplement. Hours spent in such full-time classes shall be credited in at least an equal amount to the period of apprenticeship set for each trade concerned. These classes shall be organized and operated by the Province and may be established for any apprenticeship plan carried on pursuant to the terms of this agreement.
13. The Province shall arrange for necessary periodic trade tests and on completion of the apprenticeship a final test prior to granting improver's or journeymen's status. All those passing such final test shall be given a Provincial Certificate or Diploma.
14. Representatives of the Province shall make periodic investigations or inspections of all training given apprentices both on the job and in class.
15. The Province shall determine, from time to time, the ratio of apprentices to journeymen after consultation with employers and workers and in accordance with the estimated future requirements of each trade.
16. There shall be equal representation of employers and workers on any Advisory Committee dealing with any apprenticeship training under this Agreement.

SCHEDULE "Y"

(Referred to in Clause 1 of this Agreement)

The Dominion will share equally with the Province in the costs as set forth in this Schedule, which have been incurred by the Province in carrying on apprentice training pursuant to this agreement and in such costs only.

1. The undernoted costs in connection with Part-Time classes for apprentices that are carried on under the terms of the Agreement.

- (a) Salaries of instructors at the rates to be determined by the Province after consultation with Dominion Director.
- (b) Materials, supplies, hand tools.
- (c) Rental of equipment and machinery if not Provincially owned.
- (d) Purchase of equipment and machinery from a third party if approved in writing by Dominion Director of Training prior to the time of purchase, such machinery and equipment to remain the property of the Province when no longer required in the Province for the purposes of this Agreement.

2. The undernoted costs in connection with Full-Time Classes for apprentices for a period not in excess of 3 months (13 weeks) per annum provided such classes are carried on under terms of this Agreement.

- (a) Salaries of instructors at rates to be determined by the Province after consultation with the Dominion Director.
- (b) Weekly allowances to apprentices while attending class instruction at amounts to be approved by the Dominion Director of Training on the recommendation of the Province.
- (c) Materials, supplies, hand tools.
- (d) Rental of equipment and machinery if not Provincially owned.
- (e) Purchase of equipment and machinery from a third party if approved in writing by Dominion Director of Training prior to the time of purchase, such machinery and equipment to remain the property of the Province when no longer required in the Province for the purposes of this Agreement.
- (f) Maintenance and repair of any machinery and equipment, other than rented machinery and equipment, used for purpose of this agreement.

(g) Rental of premises if not provincially owned but if the Province erects or purchases a building for purposes of training under this agreement the Dominion may pay to the Province a reasonable rental if approved by the Dominion Director of Training or share with the Province in its initial cost if approved by the Minister.

(h) Alterations and repairs to premises provided that any one item of such alterations or repairs costing over \$50.00 must be approved in writing by the Dominion Director of Training.

3. The undernoted costs in connection with Correspondence-Study instruction approved by the Province and the Dominion Director of Training.

(a) Purchase price of Correspondence Courses.

(b) Textbooks, materials and supplies, necessary for such instruction.

4. Any premises, machinery, equipment, materials, supplies hand tools acquired or used for purposes under Regulation 2 above may also be utilized for classes under Regulation 1 above.

5. Any discharged members of His Majesty's Forces eligible for rehabilitation training under existing Dominion orders may be trained as apprentices in accordance with the terms of this Agreement and the Schedules thereof and may receive such training at centres operated under Regulations 2 or 3 above but costs incurred on their behalf shall be payable by the Dominion in accordance with terms of the War Emergency Training Agreement and Schedule "L" thereof and shall be charged to such Schedule.

6. Any contribution by or assessment of industry towards costs incurred under this Agreement shall be used to reduce the Dominion and Provincial contributions by equal amounts.

WAR EMERGENCY TRAINING

Order in Council P.C. 4506, Sept. 11, 1940:

2. It is deemed expedient that the aforesaid training be co-ordinated with and carried on in conjunction with other training and rehabilitation plans now being carried on under the terms of various agreements existing between the Dominion and the respective Provinces and made pursuant to authority of the Unemployment and Agricultural Assistance Act, 1940, or the Youth Training Act 1939;

The Minister, therefore recommends, that under the authority of the above cited War Measures Act, and for the purposes referred to in paragraph 2 above,

(1) The administration of aforesaid amount of \$500,000.00 be vested in the Minister of Labour.

(2) that a special schedule or schedules providing for the training referred to in paragraph 2 above and for the payment of expenditures in connection therewith may, with the consent of the Province concerned and the approval of the Minister of Labour be added to and carried on under or in conjunction with any agreement providing for the training of individuals authorized pursuant to the terms of either the Unemployment and Agricultural Assistance Act, 1940, or the Youth Training Act, 1939, and that for said purposes the terms and

regulations of any special schedule so approved and added, if at variance with the terms of the agreement to which the schedule is added shall have preference thereover.

Order in Council, P.C. 3644, May 4, 1944:

Minute of a Meeting of the Committee of the Privy Council, approved by the Governor General on the 4th of May, 1942.

The Committee of the Privy Council, on the recommendation of the Minister of Labour advise that the Minister of Labour be authorized, on behalf of the Dominion, to enter into an agreement with the Province of Nova Scotia pursuant to the provisions of the War Measures Act, for the continuation of the War Emergency Training Program, in accordance with draft Memorandum of agreement attached hereto, expenditures in connection with said agreement to be paid out of funds allotted to the Department of Labour from War appropriations.

NOTE

Identical Orders in Council of the same date passed for the other provinces as follows:—

P.C. 3645—New Brunswick

P.C. 3646—Quebec

P.C. 3647—Ontario

P.C. 3648—Manitoba

P.C. 3649—Saskatchewan

P.C. 3650—Alberta

P.C. 3651—British Columbia

Order in Council, P.C. 5103, July 3, 1944. (replacing P.C. 2692)

Whereas the Minister of Labour reports that it is advisable by reason of the war, for the security, defence, peace, order and welfare of Canada, to revoke Order in Council P.C. 2692, dated April 17, 1944, by which the agreements entered into with the provinces etc.

ORDER

1. In this order "industry or plant engaged in the production of essential civilian goods" means an industry or plant designated as an essential civilian industry by the Minister of Labour, upon the recommendation of the Wartime Prices and Trade Board.

2. Where an agreement has been made, under the authority of one of the Orders in Council passed on May 4th 1942 between the Minister of Labour and a province for the continuation of Canadian Vocational Training (Dominion-Provincial War Emergency Program) the Minister of Labour may enter into a supplementary agreement with the province amending the said agreement made on May 4th, 1942, by defining the terms "industry engaged in war production" and "war industry" where used in the said agreement to include industries or plants engaged in the production of essential civilian goods.

CANADIAN VOCATIONAL TRAINING WAR EMERGENCY TRAINING AGREEMENT

Whereas it is deemed advisable, by reason of the state of war now existing, for the security, defence and welfare of Canada, that individuals be trained for

skilled and semi-skilled employment in war industries, and industries engaged in essential civilian production, and for service in various branches of His Majesty's Armed Forces, and that vocational training and pre-matriculation training be provided for persons discharged from the Armed Forces during the state of war now existing approved by the Minister of Veterans Affairs, to fit such persons for gainful employment or for entrance to a university;

And whereas the province is willing to devote present training and administrative facilities to such training;

And whereas moneys have been allocated from the War Appropriations of the Parliament of Canada to defray the costs of such training;

And whereas it is deemed expedient that the conditions under which the province is to be assisted in promoting and executing plans for the said training should be embodied in a written agreement;

Now therefore it is agreed by and between the parties hereto as follows:

1. Subject to the terms and conditions contained herein and in the attached Appendices "X" and "Y" and the training schedules forming part of the Agreement, the Dominion will pay to the province in an amount not exceeding the sum of \$. the costs of training incurred by the province during the period April 1, 1945 to March 31, 1946 inclusive, in the training of persons for work in industries engaged in essential civilian or war production or as tradesmen for His Majesty's Armed Forces and in the training or retraining of persons discharged from His Majesty's Armed Forces approved for training by the Department of Veterans Affairs, to fit such persons for gainful employment and including training to fit such persons for entrance to university, other than those items of costs excluded from contribution under Appendix "X" hereto.

2. It shall be a condition precedent to any payment by the Minister under this agreement, that such training shall be carried out by the Province in accordance with schedules descriptive of classes to be given and containing regulations governing the conduct of such classes, and that the Minister and Province shall have approved such schedules in writing. Any schedule so approved shall form part of this agreement but may be amended or cancelled upon application in writing on behalf of the Province, by the Minister or by the Deputy Minister of Labour of Canada, or the Dominion Director of Training if authorized by the Minister for that purpose.

3. Whenever any question arises as to whether any costs of any training aforesaid, incurred by the Province, are payable by the Minister pursuant to the terms of this agreement, the decision of the Minister in respect thereto shall be final and conclusive after consultation with the Province.

4. Training carried out pursuant to this agreement shall be given in "classes" to be conducted in Technical Schools, Universities, Industrial Establishments or other training centres during the term of this agreement.

5. The Province will select for training for work in industries, persons, male or female, who shall have reached their sixteenth birthdays, and who shall be

British Subjects or Nationals of other countries approved by the parties hereto, without discrimination or favour in relation to the racial origin, religious views or political affiliations of such persons.

6. The Province will give publicity to opportunities for training, and will arrange that facilities for the filing of applications for such training be maintained throughout the Province.

7. Provincial officials and directors of schools shall establish and maintain close contact with local industries engaged in war contract work, or in essential civilian production so that the needs of industry may be met with regard to (a) the types of classes to be established (b) the methods of instruction given and (c) the number to be trained. No class shall be established for any employer not engaged in production for the war or essential civilian use.

8. Where an employer has sponsored any class, persons trained in such class shall be first referred to such employer for employment on completion of their training.

9. All existing facilities for the placement of persons in employment available to the Minister or to the Province shall be utilized in the placing of persons trained pursuant to this agreement, and such facilities may be supplemented by the efforts of heads of training centres.

10. Persons trained pursuant to this agreement shall, if possible, be placed in employment in the locality in which they are trained, but where persons so trained are not required in the locality in which they are trained, they may be transferred to other areas where there is a demand for persons with the training which they have received.

11. Where persons are given vocational training of a nature authorized by this agreement in any training class conducted by the Province or by a municipality or school district in the province but which is not specifically authorized under this agreement, the Minister will pay all fees and tuition costs normally charged by the Province or such municipality or school district for such training course.

12. The Dominion may appoint an officer to be called a Regional Director to be charged with the centralized administration and co-ordination of any program of training undertaken by the Province pursuant to this agreement, who shall consult with the Minister, or a person authorized by the Minister, as to the most effective method of co-ordinating such program of training. The Minister may withhold payment of any moneys under this agreement in respect of any training carried on other than in accordance with the program so arranged between such Regional Director and the Minister or such other person authorized by the Minister.

13. The Province will expend all moneys received from the Minister pursuant to the provisions of this agreement, solely for the purposes of carrying out such training aforesaid, and all disbursements shall be made in legal tender or by cheque or other instrument drawn on a chartered bank.

14. The Province will maintain full records of all expenditures and commitments made in respect of this agreement, such records to be segregated from, although reconciled with, continuing books of accounts of the Province, and will furnish such information and produce

such records, documents and files, directly or indirectly connected with the operation of this agreement, as the Minister may deem necessary to permit full examination and audit of the rendered account.

15. The Province will if possible, within 30 days, but in any event not later than 120 days after the last day of the month in which any expenditures pursuant to this agreement have been made, submit claims to the Treasury Officer acting on behalf of the Minister, for payment of any costs incurred by the Province pursuant to this agreement. No. claims submitted later than 120 days after the last day of the month in which the expenditures in respect of which such claim is submitted were incurred, shall be paid by the Minister, unless, in the special circumstances of a particular claim, such time is extended by the Deputy Minister of Labour of Canada or the Dominion Director of Training.

16. Statements of accounts for expenditures made by the Province when submitted to the Minister, pursuant to the provisions of this agreement, shall be accompanied by a certificate of the provincial auditor and shall be in such form as the Minister may from time to time direct.

17. The Province shall furnish to the Dominion reports setting forth such statistical and other information relative to the carrying on of this agreement in such form and at such time as the Dominion Director of Training may request.

18. The Dominion Director of Training may, at any time, after consultation with the province direct an examination in connection with any measures executed or being executed pursuant to this Agreement and the Province will facilitate, as fully as it can, every such examination.

19. This agreement will be effective on and after April 1, 1945, and shall expire on March 31, 1946.

APPENDIX "X"

Except as otherwise specifically provided in this agreement, or in any schedule approved hereunder, no payment shall be made by the Minister to the Province in respect of expenses incurred by the Province with regard to training carried out pursuant to this agreement in connection with any of the following items:

1. (a) The cost of lands or buildings;
- (b) The cost of rentals for or depreciation of any buildings owned by the province or any municipality, except that where any such building has, with the approval of the Minister, been erected, purchased or leased by the Province or the municipality for the purpose of carrying out any such training, and for which purpose, suitable and adequate training facilities do not exist the Minister may pay such rental therefore as he deems fair and reasonable.
- (c) The cost of alterations, repairs or both, to any building in excess of the sum of \$50 unless prior approval in writing has been given by the Dominion Director of Training.

2. The cost of overhead expenses added to the actual cost of material supplied by the Province or any Municipality from existing stores owned by such Province or Municipality.

3. The cost of damages or compensation resulting from injury to persons, other than payments made by way of Workmen's Compensation and "First Aid Costs" as provided in Appendix "Y" to this Agreement.

4. Costs resulting from damage to real property or from damage to or loss of personal property.

5. The cost of taxes, licence fees and permits; legal advisory and consulting fees and salaries.

6. Costs or rental of office equipment and supplies, office services, telephone and telegraph charges, except where such costs have been approved in writing by the Dominion Director of Training.

7. The costs of the government of the Province in respect of the administration of the program of training undertaken pursuant to this agreement except such costs of administration listed in Items 4 and 14 of Appendix "Y" to this Agreement.

APPENDIX "Y"

The Minister will pay the costs incurred by the province in carrying out any training program pursuant to this agreement in respect of the following matters:

1. Salaries of instructors or teachers actually engaged in the conduct of classes of training whether employed full-time or part-time. If any such instructor or teacher is a regular member of the school staff, he shall be paid at a rate not in excess of his usual salary. Any part-time instructor or teacher shall be paid according to the prevailing rates in the locality in which he is employed.

2. Salaries to principals or supervisors of classes of training carried out in individual schools pursuant to this agreement at rates of pay to be determined by the Regional Director and province and approved by the Dominion Director of Training.

3. Subsistence allowances paid to persons during the period in which they are being trained pursuant to this agreement at the following weekly rates:

- (a) In respect to any person attending a full time industrial class.
 - (1) Head of a family—\$13 if living at home, \$18 if living away from home.
 - (2) Other than the head of a family—\$7 if living at home, \$9 if living away from home.
 - (3) A married woman, other than the head of a family \$7.
- (b) In respect to any person attending a plant school (Schedule "K" Regulation 7) 50 per cent of wage actually paid by an employer, not in excess of \$10 per week. This will be paid as a refund to the Employer. Where any trainee leaves voluntarily or is discharged prior to the completion of the course, the refund for one week's allowance to the employer will be deducted.

4. Travelling expenses incurred by

- (a) The Regional Director or other persons engaged in a supervisory or administrative capacity by the province under this agreement and in respect of whom the Dominion Director of Training has given approval for the payment of such type of expenses.

(b) persons who are trained pursuant to this agreement while proceeding from their place of residence to a training centre or returning therefrom or while proceeding from a training centre to a place of employment (including in each case any necessary stop-over expenses) provided that no payment shall be made in respect of transportation by air nor in respect of the return fare of any person voluntarily leaving a training centre or discharged therefrom for misconduct.

5. Materials, supplies, text books and hand tools necessary for training classes other than training classes in plant schools.

6. The increased costs of any school other than a plant school in respect of light, heat, power, water and caretaking services resulting from the conduct of any classes of training pursuant to this agreement.

7. Except in plant schools, the following costs, namely:

- (a) All costs of any machinery or equipment necessarily rented and used for the purposes of carrying out training pursuant to this agreement;
- (b) One half the cost of machinery or equipment necessarily purchased for the purpose of carrying out training pursuant to this agreement up to a total amount not exceeding 10 per cent of the total estimated cost of the schedule under which it will be used but with authority vested in the Deputy Minister of Labour or Dominion Director of Training to approve an increase in this percentage if such increase is considered advisable; any machinery or equipment so purchased must remain available for the purposes of training carried on under joint Dominion-Provincial auspices pursuant to the Vocational Training Co-ordination Act, 1942, but when no longer required for such purpose it will become the sole property of the authority which pays the other half of the purchase cost.
- (c) The Dominion will share equally with the Province in the cost of repairing or replacing breakages of machinery and equipment used for projects conducted under any schedule of this agreement.

8. Publicity and advertising in respect of training classes carried out pursuant to this agreement not exceeding in any one fiscal year one-half of one per cent of the amount payable by the Minister under this agreement to the province; provided that all such publicity and advertising indicates that the program of training is carried on jointly by the Dominion and the Province.

9. Application forms and certificates if in a form approved by the Dominion Director of Training.

10. All payments by way of workmen's compensation in respect of persons under training in pre-enlistment classes for His Majesty's Active Armed Forces or for persons under training in pre-employment classes for industry as authorized by the Governor General in Council dated June 25, 1941 (P.C. 19/4600).

11. The costs of providing persons being trained with reasonable recreational activities and physical training.

12. The maintenance and operation of first-aid facilities in training centres.

13. Long distance telephone calls and telegrams if approved by the Regional Director.

14. The following costs of the government of the province of the administration of the program of training undertaken pursuant to this agreement:—

- (a) Salaries of the Regional Director, field representatives, supervisors, directors of training and other special officers, if the appointment of the persons so engaged and the terms of their respective engagements have been approved in writing by the Dominion Director of Training.
- (b) Travelling expenses of instructors if approved in writing by the Regional Director.
- (c) Necessary expenses for clerical assistance in training centres, incurred for the purposes of training given pursuant to this agreement, if approved in writing by the Dominion Director on the recommendation of the Regional Director.
- (d) Two clerks or stenographers in the office of the Regional Director and any additional stenographic or clerical assistance where approved in writing by the Dominion Director of Training.

15. Where machinery or equipment needed for training discharged members of the Forces under Schedule "L" of this agreement is of such a nature that the province and/or municipality is not willing to share in the purchase cost as set forth in 7(b) above, such purchase cost may be paid solely by the Dominion, subject to the following conditions:

- 1. Approval prior to purchase shall be obtained from the Dominion Director of Training for each item.
- 2. All items so purchased shall be used solely for training under Schedule "L" unless authorized for other purposes by the Dominion Director.
- 3. All items so purchased shall be the sole property of the Dominion and must be plainly marked as such. Costs of machinery and equipment purchased solely by the Dominion from War Assets Corporation may be either paid for direct by Department of Labour, Ottawa, or through Schedule "L" by the province concerned as decided by the Dominion Director of Training.
- 4. Purchases from private dealers shall be paid by the province through Schedule "L".
- 5. Where machinery, machine tools or equipment are purchased by the Minister from any third party (including War Assets Corporation) for the purposes of training under this Agreement and to which the province agrees in writing to contribute at least fifty per cent of the cost thereof, the province shall reimburse the Dominion for the amount of such agreed contribution within 120 days of receipt of invoice therefor or such additional period as may be mutually agreed to; where such machinery, machine tools or equipment is no longer required for the purposes of training under the Vocational Training Co-ordination Act, 1942, the same shall become the property of the province.

16. Notwithstanding the provisions of Appendix "X" to this agreement, where additional facilities are required for the purpose of training discharged members of the Armed Forces pursuant to any training schedule approved pursuant to this agreement and no suitable buildings are available in the locality where the facilities are needed, such additional facilities may be provided as follows:

- (a) The Dominion may contribute to the costs of building premises (including the building site and including, where necessary, costs of dismantling, removing or re-erecting buildings) purchased by the Province from any third party (including War Assets Corporation) or constructed by the Province to provide such additional training facilities up to and inclusive of 100 per cent of such costs as the Minister or Deputy Minister of Labour of Canada may approve in writing;
- (b) The Province may contribute to the costs of building premises (including the building site and including, where necessary, costs of dismantling, removing or re-erecting buildings) purchased by the Dominion from any third party (including War Assets Corporation) or constructed by the Dominion to provide such additional training facilities in such amount as may be approved by the Province in writing;
- (c) Where the Province has agreed to contribute to the costs of building premises pursuant to paragraph (b) of this section, the Province will pay to the Dominion the amount of its contribution thereto within 120 days following receipt of request therefor by the Dominion or within such additional period of time as the Minister may agree to in writing.
- (d) Where pursuant to the provisions of this section, the Dominion and the Province have contributed to the cost of providing additional training facilities, the parties shall each have an interest in such training facilities proportionate to the percentage of the cost contributed thereto but in event that the Province has contributed at least 50 per cent of cost of any such additional training facilities, the same shall revert to and become the property of the Province when no longer required for training under this agreement or any extension or renewal thereof but unless otherwise agreed to shall continue to be available for any training carried on under The Vocational Training Co-ordination Act, 1942, by agreement between the Dominion and the Province.

17. All costs in respect of matters incidental to and in the same class of matter as the foregoing if approved in writing by the Dominion Director of Training.

DAY NURSERIES

P.C. 3733:

Whereas pursuant to Orders in Council P.C. 6242 of July 20, 1942 and P.C. 6657 of July 30, 1942 the Minister of Labour entered into an agreement with the Province of Quebec to assist the Province in the care of children of mothers and foster mothers during the time such mothers and foster mothers are absent from their homes at employment in war industries;

And whereas the parties to the said agreement consider it advisable in the national interest that the provisions of clause eleven thereof providing for the admission of children of mothers working in other than war industry to any project approved under the agreement should be modified to provide greater latitude for the admission of such children to such projects;

Therefore His Excellency.....

11. 1. Subject to the terms of sections 8, 9 and 10 above, children whose mothers are working in other than war industries, may be admitted to any creche, day nursery or other facility approved under this agreement.

2. Eligible children of mothers working in war industries shall have priority at all times in admission to any approved creche, day nursery or other facility over the children of other applicants.

3. *N.B.*—If the number of children of mothers working in other than war industry, maintained in any approved creche, day nursery or other facility at any time, exceeds twenty-five per cent of the approved maximum capacity of the creche, day nursery or other facility, the Dominion will contribute to the cost of maintenance of such excess numbers in the creche, day nursery or other facility only if the written consent of the Minister or his duly authorized representative is given to the maintenance of such excess number in the creche, day nursery or other facility.

P.C. 2503—same as above—Order in Council amending agreement with Province of Ontario re care of children of mothers engaged in war industry.

LIMESTONE POLICY

P.C. 2/2340, March 24, 1943:

... the Fertilizers and Pesticides Administrator of the Agricultural Supplies Board be authorized to make payments to the Governments of the Provinces of Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia, for the purpose of promoting the greater use of lime for soil amendment purposes, in accordance with the following conditions:—

1. That such payments shall apply only to expenditures incurred by the provincial governments

- (a) In transporting lime to farmers;
- (b) In operating or assisting in the operation or establishment of a lime plant or plants to supply lime to farmers;
- (c) In subsidizing plants to reduce the cost of lime to farmers.

2. That such payments shall be on the distribution of lime for agricultural purposes in excess of the quantities distributed under the respective provincial policies in the year 1942, on the following basis:—

- (a) For lime distributed up to and including the quantity distributed by the province in 1942, the province shall bear the full cost of such assistance as may be provided for under the provincial policy;
- (b) For lime distributed in excess of the quantity distributed by the province in 1942 under its lime subsidy policy, the Dominion shall pay to the province an amount per ton equal to

the amount per ton paid by the province under the provision of Section (a) of this Clause; provided that the total tonnage on which the Dominion will make payment under this Section shall not exceed the tonnage on which the province has granted assistance under Section (a) of this Clause;

- (c) For lime distributed in excess of the quantities designated in Sections (a) and (b) of this Clause, the Dominion shall pay to the province an amount per ton equal to one-half the amount per ton paid by the province under Section (a) of this clause;

WOOL MARKETING BONUS

P.C. 1/2519, March 29, 1943:

... authorize the Agricultural Supplies Board to pay to the Governments of those provinces co-operating with the Dominion in the payment of a bonus on wool an amount not exceeding one-half of the expenditure incurred by such Provincial Governments for such purpose subject to the following conditions:—

- (1) That the Dominion's share of the bonus shall in no case exceed 2 cents per pound;

Similar conditions extending the bonus for a further year were imposed by P.C. 2/1000 dated February 18, 1944.

RECRUITING AND TRANSPORTATION OF FARM WORKERS

P.C. 3620, May 4, 1943:

... the Governments of the said Provinces are willing to enter into agreements with the Government of the Dominion of Canada for the purpose of making more effective use of the agricultural manpower within each Province; of recruiting workers, whether male or female, suitable for farm work in one Province, and of transporting the said workers to and placing them on the farms of another Province;

- (b) Expenditure by the Dominion of Canada of a sum not to exceed five hundred and ten thousand dollars to defray the Dominion's share of such expenses as are to be borne jointly by the Dominion and the Provinces in respect of the said agreements; and
- (c) Expenditure by the Dominion of Canada of a sum not to exceed three hundred thousand dollars for the purpose of paying the costs of transporting farm workers from one Province to another when by virtue of the provisions of the aforesaid agreements the Dominion of Canada is responsible for all such costs;

Order in Council P.C. 3492, dated May 12, 1944 made similar provisions for the year 1944, except that the appropriation under paragraph (b) was increased to \$600,000, and \$75,000 was added for advertising and publicity.

TRANSPORTATION OF HARVESTING EQUIPMENT

P.C. 6549, August 17, 1943:

... to amend and extend ... the terms of the agreements entered into by him on behalf of the Dominion of Canada with the provinces of Alberta, Saskat-

chewan and Manitoba pursuant to Order in Council P.C. 3620 of May 4, 1943, or any of them, to provide for payment by the province of one-way transportation costs incurred in the transfer of harvesting equipment ... at such rates as may be agreed to by the Minister and the province, and to share equally as between the Dominion of Canada and the province the costs so incurred.

Order in Council P.C. 6301, dated August 9, 1944, made similar provisions for the year 1944.

RECRUITING AND TRANSPORTATION OF FARM WORKERS AGREEMENT

Now therefore it is agreed between the two parties as follows:

1. Wherever the expression "the Minister" appears in this Agreement same shall mean the Minister of Labour for Canada.

2. Subject to the conditions and limitations hereinafter contained and to such additional conditions not at variance therewith as the Minister may declare by writing delivered to the Province subsequent to the date hereof, the Dominion will pay to the Province not in excess ofdollars to assist the Province in defraying to the extent set out in paragraph 4 hereunder, all costs which are not excepted from the Dominion contribution by this Agreement and which are incurred by the Province, during the term hereof, in organizing more efficiently manpower already engaged in agriculture, for recruiting, transporting to and placing upon farms within the Province during the term hereof, labourers, whether male or female, suitable for farm work, who are available within the Province and/or, subject to the approval of the Minister before any such movement of farm workers is undertaken, who are available from other provinces.

3. In respect to the foregoing it is understood:

- (a) that the financial liability of the Dominion shall be that of a voluntary contributor only;
- (b) that the Province is charged with the detailed administration through the Dominion-Provincial Committee on Farm Labour appointed by the Province on which the Dominion Department of Labour is represented.
- (c) that, except as otherwise provided herein the Dominion will not contribute to Provincial costs of administration; and
- (d) that, except as otherwise provided herein the Dominion will not contribute a greater percentage of any cost incurred than that contributed by the Province.

4. Subject as aforesaid, the Dominion will pay to the Province fifty per centum of the following costs:

- (a) (i) Salaries and necessary travelling expenses of Provincial officers and staff who have been or will be appointed to devote full time to organizing farm manpower, including recruiting, transporting and placing workers on farms.

- (ii) Salaries and necessary travelling expenses of all net additions to Provincial field staff not included in (i) whose appointments are made necessary by reason of the increased volume of work involved in carrying out the activities stated in 4(a)(i).
 - (iii) Travelling expenses of the permanent field staff of the Province on the condition that at least one-half of whose time in the aggregate is devoted to carrying out the aforesaid activities.
 - (b) Advertising, publicity, printing and stationery; provided that the Department of Labour shall approve any expenditures for advertising or publicity outside the Province, before such expenditures are incurred. It is agreed that whenever efforts are made by the Dominion or the Province through advertising and publicity to aid in carrying out the aforesaid activities, reference be made to the Dominion and the Province as jointly financing the said activities.
 - (c) Telephone, telegraph and postage charges.
 - (d) Necessary transportation expenses within the Province from their homes to places of employment of persons directed to farm work, and family groups and their effects; and under special circumstances, subject to the approval of the Minister, and the responsible Minister of the Province, return transportation of such workers, family groups and their effects.
 - (e) Expense incidental to the operation of local agricultural committees in carrying out the functions which they are requested to perform, the Dominion share of the expenditures under this clause not to exceed.....dollars unless an increased amount is approved by the Minister.
 - (f) The expense of establishing and conducting necessary hostels or camps for workers including:
 - (i) Staff salaries and the necessary travelling expenses of any camp supervisors.
 - (ii) Rentals of such camps or hostels, other than those provincially or municipally owned, but not to include the purchase price of land and buildings for hostel or camp purposes;
 - (iii) Necessary additions, alterations or repairs to hostel or camp premises, and, with the approval of the Minister, erection of new buildings for camp or hostel purposes where alternative satisfactory buildings are not available, up to a total Dominion contribution of.....dollars unless an increased amount is approved by the Minister;
 - (iv) Rental and/or the purchase price of necessary camp or hostel equipment.
 - (g) The expenses incurred incidental to accidents suffered by any labourer, male or female recruited under this Agreement, while employed pursuant thereto, including staff members employed in the hostels and camps; provided, however;
 - (i) That the sum payable to the Province by the Dominion under this clause may not exceed.....dollars;
 - (ii) That it is understood and agreed that this clause does not apply to accidents suffered by persons who would normally follow agricultural employment; and
 - (iii) That in agreeing to share expenditures made by the Province under this Clause, the Dominion does not accept any legal liability for accidents suffered by any person, where such liability would not otherwise exist;
 - (h) Assessments or rates paid by the Province by way of premiums for accident or workmen's compensation covering the officials and employees connected with the establishing and operating of camps and hostels.
 - (i) Payment of supplementary living allowances in which the total Dominion contribution shall not exceed.....dollars to the dependents of men who are directed to farms of high productivity and in the acceptance of such work are required to live away from their homes, such payments to be made in accordance with the principles and subject to the conditions set forth in Schedule 1 attached.
5. It is further agreed that the provincial organization responsible for the disposition of labour originating within the Province shall also be responsible for the distribution within the Province of farm workers recruited and brought to the Province from other Provinces, provided that;
- (a) The Dominion will pay full cost of the transportation of such workers from their place of origin outside the Province to designated central points within the Province as may be agreed to and the return fare under conditions approved by the Minister.
 - (b) The cost of the transportation of the said workers from the designated points within the Province to their places of employment will be borne as set forth under section 4(d) of this Agreement.
6. No portion of wages payable to farm labourers shall be a charge under this Agreement except such board and/or lodgings in a hostel or camp, or as may be provided, to any persons accommodated temporarily to facilitate their placement at farm work.
7. Except as otherwise provided herein each of the parties hereto shall fully bear its own costs of administration incurred in connection with this Agreement.
8. If any question arises as to the liability of the Dominion to contribute to any expenditure certified as having been incurred pursuant to the terms hereof, the decision of the Minister in respect thereto shall be final and binding upon the parties hereto.
9. The Province agrees to make the fullest possible use of the placement facilities of the Employment and Selective Service Offices of the Dominion Department of Labour no charge therefor will be made under this Agreement however.
10. The Province agrees to use its best endeavours to ensure that the period of employment for any labour recruited outside of the Province shall be of substantial length and that the terms of employment in each case are clear.

11. The Dominion and the Province each agrees to use its best endeavours to obtain from all transportation concerns transporting workers under this Agreement the most favourable rates possible.

12. The Province agrees that, in the administration of this agreement and the matters therein referred to, no discrimination shall be allowed against nor in favour of any employer or employee by reason of his or her nationality, racial origin, religious views or political affiliations.

13. The Dominion may appoint a representative or representatives to inspect and report on any matters relevant to this Agreement and the Province will facilitate, as fully as it can, every inspection made by said representative or representatives.

14. The Province agrees to maintain adequate records of all expenditures incurred in respect to which it requests the Dominion to contribute under this Agreement, such records to be segregated from, although reconciled with the continuing books of account of the Province and undertakes to furnish such information and produce such records, documents, files and applications directly or indirectly connected with the operation of this Agreement as officers of the Dominion may deem necessary to permit full examinations and audits of the related accounts to be made.

15. It is agreed that statements of accounts for expenditures made by the Province when submitted for Dominion contribution pursuant to the provisions of this Agreement shall be accompanied by a certificate of the Provincial Auditor and be made in such form as the Minister may direct from time to time.

16. It is understood and agreed that all funds received by the Province from the Dominion pursuant to the provisions of this Agreement shall be used solely for the purposes of the Agreement and that disbursements of the Province shall not be or become eligible for payment of the contributions of the Dominion unless they are made in legal tender or by cheque or other instruments drawn on a chartered bank.

17. It is understood and agreed that the Dominion shall not be liable to any claim for expenditure submitted by the Province under the terms of this Agreement unless such claim is submitted within 120 days next after the last day of the month in which the expenditure described in the claim was incurred.

18. It is understood that adequate working and living conditions will be established and maintained to protect the health and welfare of workers recruited for farm employment.

19. The Province agrees to make such of its staff engaged in organizing farm manpower, including recruiting, transporting and placing workers upon farms, as are necessary, available, under the terms set out in Section 4, subsection (a) of this Agreement, for the recruiting, in co-operation with National Selective Service officials, of farm workers who can be spared from agriculture during the slack season and of other workers for employment in other essential industries such as logging, lumbering, coal mining and food processing and it is understood that the expenditures so incurred will be part of the total cost to which the Dominion has agreed to contribute under the provisions of this Agreement.

20. The Province shall furnish to the Dominion a monthly report or reports setting forth such statistical and other information relative to the carrying out of this Agreement in such form as the Minister may request.

21. The term of this Agreement for the incurring of expenditures contributable to by the Dominion shall be from April 1, 1943 to March 31, 1944 inclusive, unless same is sooner terminated by mutual consent of the parties hereto.

In witness whereof, etc.

Schedule 1

1. Application for Supplementary Living Allowances will be considered only for the dependent families of men operating farms of low productivity who are directed to accept work on highly productive dairy and live-stock farms.

2. In the case of applications for the Supplementary Living Allowance from men living on farms, an investigation will be conducted to determine whether production on that farm can be readily increased to a satisfactory level. No application for such allowance will be approved where it is evident that the production of essential products on that farm can be readily raised to a satisfactory level.

3. Upon being shown eligible to receive a Supplementary Living Allowance, the worker to be directed to a highly productive dairy or live-stock farm which requires additional experienced labour.

4. In determining labour requirements of a farm, consideration will be given both to the size of the farm and the type of operation. Use will be made in this regard of the priority rating of farm products and the guide for measuring farm labour requirements.

5. The Supplementary Living Allowance will be ten dollars (\$10.00) per month, payable at the end of each month of employment, to the worker's dependents, during the period of the contract between employer and worker, subject to the following conditions:—

- (a) That such employment requires the worker to live away from home and that as far as reasonably possible the dependents shall be expected to continue upon the farm where they are presently residing.
- (b) That a signed contract between the approved employer and the approved worker for a period of at least six months be entered into prior to June 30, 1943.
- (c) That a local "Farm for Victory" Committee or a Provincial Agricultural Fieldman approve of each application for Supplementary Living Allowance.
- (d) That the family remaining in the former residence from which the worker is separated contains no physically fit male worker over fifteen years of age.
- (e) That records will be kept of both approved and unapproved applications for Supplementary Living Allowances.

VOCATIONAL TRAINING AT SECONDARY SCHOOL LEVEL

P.C. 1646, March 8, 1945:

...His Excellency the Governor General in Council... doth hereby authorize the Minister of Labour... to enter into an agreement... with each of the provinces... containing

- (a) a provision by which the agreement will be made applicable in respect of a period of ten years commencing with the fiscal year ended March 31, 1946;
- (b) a provision for an annual grant to the province equal to an amount subscribed by the province for similar purposes but not exceeding an amount that is that proportion of \$1,915,000, which the the number of people in the province of the ages of fifteen to nineteen years inclusive as shown in the last Dominion decennial census bears to the number of people in all nine provinces of the said ages as shown in the said census;
- (c) a provision for an annual grant to the province of \$10,000 in the case of each of the provinces except Prince Edward Island and of \$5,000 in the case of Prince Edward Island;
- (d) a provision for a grant to the province for capital expenditures to be made by the province between the first of April, nineteen hundred and forty-five and the thirty-first of March, nineteen hundred and forty-eight for buildings, alterations or additions to buildings and equipment to provide additional vocational training facilities in the province equal to an amount subscribed by the province for similar purposes but not exceeding an amount that is that proportion of \$10,000,000 which the number of people in the province of the ages of fifteen to nineteen years inclusive as shown in the last Dominion decennial census bears to the number of people in all nine provinces of the said ages as shown in the said census (not less than one-half of the grant to be used for vocational training equipment);...

RECREATIONAL FACILITIES FOR WAR WORKERS

P.C. 4703, June 8, 1943:

1. It shall be the duty of the Director of National Selective Service to make every effort to negotiate agreements with provinces or municipalities with respect to the provision of recreational facilities for war workers.
2. Subject to the approval of the Governor General in Council, the Minister of Labour may enter into agreements, pursuant to section 1 of this Order, providing for an equitable sharing of costs by the Dominion.

CANADIAN VOCATIONAL TRAINING

WAR EMERGENCY TRAINING AGREEMENT

SCHEDULE "L" (1945-1946)

REHABILITATION TRAINING

Province of

A project designed to provide for the training or retraining of persons discharged from the Armed Forces.

Estimated Total Cost to the Dominion \$. exclusive of the costs payable by the Department of Veterans' Affairs.

This Schedule shall operate subject to the following regulations and the regulations of Appendices "X" and "Y" of this agreement:

1. (a) For the purposes of this Schedule, Canadian Vocational Training, hereinafter referred to as C.V.T., means the Dominion-Provincial administration established pursuant to this agreement for the administration of training projects authorized by the agreement.
(b) Where in this Schedule, items of cost are stated to be payable by the Department of Veterans' Affairs, hereinafter referred to as D.V.A., such costs shall not be deemed to be payable out of the amounts allocated for training under this Schedule nor are the provisions of Appendices "X" or "Y" applicable thereto.
2. Those eligible for training shall be former members of the Forces of His Majesty in the present war domiciled in Canada at the time of their enlistment or any other person with respect to whom authority for the granting of training is at the time vested in the Minister of Veterans' Affairs, which former members or other persons are approved for such training by the Minister of Veterans' Affairs and are referred for training to representatives of C.V.T. by an authorized representative of D.V.A.
3. It is the responsibility of D.V.A. to select trainees and give necessary post-discharge counselling but where that department establishes a Selection Board, a representative of C.V.T. shall sit in at its meetings to give assistance in such selection, particularly to determine what type of training would be most desirable in view of each applicant's background and aptitudes.
4. When the type of training for each applicant has been determined, it shall be the responsibility of C.V.T., in co-operation with D.V.A., to decide, how and where such training shall be given taking into consideration, the applicant's own desires: to make all necessary arrangements for his or her entry into training and (except for those indentured to an employer as apprentices in a designated trade under a Provincial Apprenticeship Act) to supervise such training.
5. The length of the training period shall be such as may be reasonably expected to fit the trainee for gainful employment, and shall be determined by representatives of D.V.A., and C.V.T., in accordance with:
 - (a) The requirements of the occupation;
 - (b) The previous experience and progress of the individual trainee;
 - (c) Length of training for which the trainee is eligible under existing regulations.
6. Training given under this Schedule shall not include:
 - (a) University or educational training as determined by D.V.A. for specific occupations, except that pre-matriculation classes (as detailed later in this Schedule) may be established to enable discharged persons to complete the academic requirements for admission to a university or to certain occupations.
 - (b) Specialized training of severe casualty cases as determined by D.V.A. but adhering to the general principle that, wherever possible, such cases should be trained in the normal way.
7. Training may be given for whatever occupations afford the best opportunity of permanent re-establishment.

8. Normally there shall be approximately forty hours training per week in all C.V.T. special classes, and except in special circumstances, training shall be given in a day shift. Training shall include practical shop work and, where advisable, instruction in technical and related subjects.

9. Each Regional Director has authority to establish special C.V.T. classes, provided there is a demand for such and the employment prospects in the occupation concerned warrant it.

10. Training may be given in:

- (a) Any suitable class conducted under any schedule of any Dominion-Provincial Training Agreement.
- (b) Any class operated by a province or municipality in a vocational school or similar institution.
- (c) Privately owned trade or commercial schools certificated by the appropriate department of the province and approved by the Regional Director where suitable publicly owned facilities are not available.
- (d) Classes or schools established and operated for the purposes of this Schedule.
- (e) In industrial and commercial establishments.

11. The head of a school has the right to suspend from his school any trainee for reasons of serious misconduct but any such case must be reported at once to D.V.A. The head of a school shall not suspend any trainee whose progress is unsatisfactory or who is considered unsuited to the type of training selected. All such cases shall be reported at once to D.V.A. together with the recommendation of C.V.T., for disposal of each case. The appropriate official of D.V.A. shall then determine what action shall be taken.

12. Officially designated representatives of D.V.A. shall have the right to inspect, at all reasonable hours, any training being given under this Schedule. They shall not make criticisms to the instructors or heads of schools but their findings shall be placed through D.V.A. Supervisor of Counselling, before the Regional Director or District Supervisor for action. If satisfactory adjustments cannot be made on the regional level, D.V.A. through the Supervisor of Vocational Training at Ottawa, shall take the matters at issue up with the Dominion Director of Training. No representative of D.V.A. shall visit any one being trained on the job in industry without first arranging for such visit with the appropriate field representative of C.V.T., in order to avoid duplication of visits to any employer.

13. Regional Directors of C.V.T. shall arrange to furnish the appropriate representative of D.V.A. with such statistical or progress reports as D.V.A. in that area may, from time to time, require. They shall also furnish the Dominion Director of Training such reports and other information as may be required.

14. Pre-matriculation classes (re 5 (a) of this Schedule) shall be established in suitable localities as the need for this type of class arises, so far as suitable accommodation and qualified teachers are available. The instruction shall conform to the standards set by the Provincial Department of Education and every effort shall be made to have the universities and the Provincial Department of Education recognize the examinations set in such classes as the equivalent of

matriculation. Instruction of a refresher nature not exceeding three months may be given but otherwise instruction shall be restricted to those subjects only, in which the individual student lacks university or occupational entrance requirements. Students shall be referred to these classes by D.V.A., after selection has been made, preferably by a Committee representing D.V.A., C.V.T. and Provincial Department of Education. Except in special cases or where senior matriculation is required for university entrance the period of instruction shall not exceed six to eight months.

15. Where trainees are placed for training with *any* organization outside C.V.T., (such as correspondence courses, private trade or commercial schools) where a fixed tuition fee has to be paid, D.V.A. will be responsible for the payment of such fees and essential supplies, but notwithstanding the foregoing, C.V.T. may provide payment of such fees and essential supplies during the period April 1, 1945 to June 30, 1945, to enable D.V.A. to complete the necessary arrangements for payment of such items on its own behalf. C.V.T. shall continue to exercise the usual supervision over all trainees in such schools and receive progress reports and invoices from each school in a form set by each Regional Director. All invoices shall be checked by a responsible representative of C.V.T. and if correct shall be signed and forwarded to D.V.A. for payment. It shall be pointed out to any applicant wishing to enter a school where a tuition fee is paid that the amount of such fee will be deducted from his Re-establishment Credit, but each applicant shall then be free to choose whether he will enter a C.V.T. school or a private school. As training grants cannot be paid by D.V.A. during vacation periods in excess of two weeks, all schools taking in veterans should be requested to give them training throughout the summer months.

16. Where training is requested by way of correspondence courses all such courses must receive prior approval by District Supervisor of D.V.A. on recommendation of Regional Director or District Supervisor of C.V.T., and must be related to (a) training now being given the applicant; (b) work at which the applicant is presently employed; (c) work where the applicant has definite assurance of employment. While D.V.A. will honour a commitment made by C.V.T. to an employer in connection with a veteran being trained on the job, such commitments must conform to the conditions set forth above. This applies only to correspondence courses for veterans being trained on the job or in pre-employment schools.

17. While individual veterans may be placed for training in a regular class carried on in a provincial or municipal vocational school as part of its regular educational program, such a practice is not considered desirable either for the veteran or for the regular pupils in such a class and should be done only in special cases (i.e. younger veterans) and in special circumstances (i.e. where the veterans prefer to stay in their home town rather than go away to a special centre) or as a temporary expedient. Where so requested by the province or municipality, and where such training is given as provided in this paragraph, D.V.A. will pay the tuition fee normally charged for civilian trainees in such a class following the procedure set forth in Regulation 14 of this Schedule.

18. C.V.T. shall have no responsibility for payment of costs incurred by reason of sickness of, or accident

to, any trainee in a school. Such costs shall be the responsibility of D.V.A. Where a trainee is injured or takes ill while in a C.V.T. School, the head of the school shall call in a local D.V.A. doctor where such doctor is available and otherwise, or in cases of emergency, he shall call a local doctor to provide emergency treatment for whose costs and emergency hospital costs D.V.A. will be responsible and report such action to nearest representative of D.V.A.

19. In any province where the local situation, or the volume of work makes such a step desirable, Regional Directors may appoint District Supervisors subject to Regulation 14 (a) of Appendix "Y".

20. *Training on the job in Industry.*

- (a) Field representatives of C.V.T. or other officers designated by the Regional Director, shall locate suitable training opportunities in industrial or commercial establishments, and for this purpose shall utilize the services and facilities of the Department of Labour (including National Selective Service) D.V.A., provincial agencies and other organizations co-operating by arrangement with the Dominion for the training and establishment of persons discharged from the Armed Forces.
- (b) No veteran shall be placed for training on the job in any occupation not requiring more than two weeks' training.
- (c) All such opportunities located shall be made known to the District Board of D.V.A. for their information and guidance.
- (d) When a District Board refers to C.V.T. an applicant for training on the job, the field representative shall take the applicant to the prospective employer-trainer and complete Form R43-4 as presented. This contract must be approved by District Supervisor of C.V.T. or the Regional Director and also by the District Supervisor of D.V.A.
- (e) The length of training shall be determined in accordance with the complexity of the occupation and the previous skill and experience of the individual trainee. Whenever desirable, it should be preceded by a period of pre-employment training in a school, and it may, where necessary, also be supplemented by part-time classes or a correspondence course.
- (f) Except in special cases the payment during training should not exceed approximately 80 per cent of the wage to be paid on completion of subsidized training period and with progressively increasing payment by the employer and correspondingly decreasing refunds from D.V.A. Apart from these refunds, no tuition fee shall be paid to any employer.
- (g) C.V.T. has no responsibility for supplying tools or working clothes to trainees but shall furnish the trainee without any charge, use of text books required by the employer.
- (h) Field representatives of C.V.T. shall make sufficient supervisory visits to all trainees to ensure that adequate training is being given and that the trainee's services are satisfactory. Where such is not the case, a report should be made at once to D.V.A. and the trainee removed unless an adjustment acceptable to all parties can be made.

(i) If in the opinion of C.V.T. any employer has been exploiting a trainee, such trainee shall be immediately removed and no further trainees shall be placed with that employer.

(j) Supervision by C.V.T. shall continue till the end of the training period regardless of whether any refund is still being paid by D.V.A. or not.

21. *Training in trades designated under a Provincial Apprenticeship Act.*

- (a) Where such cases are passed by District Board of D.V.A. and representative of C.V.T., they shall be referred at once, to the appropriate representative of the Provincial Apprenticeship Board.
- (b) It shall be the responsibility of the Apprenticeship Board to:
 - (1) Draw up a standard of attainment (in practical skill and technical knowledge) for each year of apprenticeship in each designated trade.
 - (2) To arrange for testing each applicant so that full credits on his time of apprenticeship shall be given in accordance with the standard of attainment prescribed and the skill and experience of each veteran.
 - (3) To accept or reject all applicants referred by D.V.A.
 - (4) To notify District Board of D.V.A. direct and also Regional Director of C.V.T. if and when the ratio of apprentices to journeymen set for any trade is filled and no more applications can be considered until further notice.
 - (5) To supervise training of veterans when indentured to an employer and being trained on the job.
- (c) When a veteran, approved for apprenticeship, as in (b) (3) above, has not sufficient skill to command a reasonable wage from an employer, he shall be admitted to a C.V.T. pre-employment class for a long enough period (about six months) to qualify him for such a wage before being indentured to an employer.
- (d) D.V.A. may make refunds to an employer to supplement the regular apprentice wage paid by him where necessary and where the status of the individual makes him eligible for such supplement
- (e) Any additional costs incurred by a Provincial Apprenticeship Board solely for testing or training veterans may be charged to this Schedule, if approved by the Dominion Director of Training on representations of the Regional Director and the Provincial Director of Apprenticeship.
- (f) A refresher course in a school not in excess of three months may be given any veteran prior to entering service with an employer in a designated trade, on the recommendation of the Provincial Apprenticeship Board.

22. The responsibility of finding employment for trainees under this Schedule rests with the Employment Service of the Unemployment Insurance Commission in co-operation with D.V.A. The Regional Director shall arrange for the appropriate office of the Employment

Service to receive well in advance of their completion of training, all data which would assist in the placement of trainees for whom no definite employment has been arranged.

23. Clearance shall be made and permits obtained from local N.S.S. Office for any veterans seeking training under this Schedule. This should normally be done by D.V.A. except for those being trained on the job when such clearance should be made by C.V.T. but the designation of respective responsibilities may be arranged between the Regional Director and the District Board in accordance with local conditions.

24. Notwithstanding Regulation 5, Appendix "X", the cost of licence fees and permits for trainees under this Schedule may be charged to this Schedule where such are a necessary condition of entrance of an ex-service person to a particular trade or occupation, and where such are charged by a trade or association (not including trade union membership dues), where such trade or association is unwilling to co-operate by waiving the payment of such fees or permits for ex-service personnel.

25. D.V.A. is responsible for payment of training allowances and also travelling expenses of trainees as prescribed in the Post-Discharge Re-establishment Order but up to June 30, 1945 C.V.T. may pay travelling expenses of trainees from a school to a job where such expenses cannot be paid by D.V.A.

26. Where machinery or equipment needed for training in the province under this Schedule is of such a nature that a province and/or municipality is not willing to share in its purchase cost as set forth in Regulation 7 (b) Appendix "Y", such purchase cost may be paid solely by the Dominion subject to the following conditions:

- (a) Approval *prior* to purchase shall be obtained from the Dominion Director of Training after submission of an itemized list giving approximate prices.
- (b) All items so purchased shall be used solely for the training under this Schedule unless authorized for other purposes by the Dominion Director.
- (c) All items so purchased shall be the sole property of the Dominion and must be plainly marked as such. Costs of machinery and equipment purchased solely by Dominion from War Assets Corporation, may be either paid for direct by Department of Labour, Ottawa or through Schedule "L" by the province concerned as decided by the Dominion Director of Training. Purchases from private dealers shall be paid by the province through Schedule "L".

27. Shipping charges on machinery and equipment supplied through War Assets Corporation shall be included as part of the purchased cost.

3. TAX AGREEMENTS

DOMINION-PROVINCIAL TAX SUSPENSION AGREEMENT

Whereas the Dominion and the Province¹ have been levying taxes upon incomes and upon corporations, and

¹ The phrase "and certain municipalities" appears here in the agreements of New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec.

² This paragraph does not appear in the agreement with Ontario.

Whereas it is expedient during the continuation of the present war and for a certain re-adjustment period thereafter that the Dominion only should levy such taxes, and

Whereas the Province has agreed to suspend temporarily the levying and collection of such taxes subject to the provisions hereinafter contained, and

Whereas the Province shall not by agreeing as hereinafter provided to desist from imposing certain taxes during the term of this agreement, to be deemed to have surrendered, abandoned, or given over to the Dominion any of the powers, rights, privileges or authority vested in the Province under the provisions of The British North America Act, 1867, or any subsequent Act of the Parliament of the United Kingdom, or to have otherwise impaired any of such powers, rights, privileges or authority, and

²Whereas the Parliament of Canada has provided funds for the payments which will be due to the Province under this agreement during the fiscal year of the Dominion which commenced April first, one thousand nine hundred and forty-one;

Now Therefore this agreement witnesseth:

1. In this agreement or any appendix thereto, unless the context otherwise requires the expression,—

(a) "corporation tax" means a tax or fee the imposing of which singles out for taxation or for discriminatory rates or burdens of taxation, either formally or in effect, corporations or any class or classes thereof or any individual corporation except

(i) a bona fide and reasonable provincial license, registration, filing or other fee, provided that, without the approval of the minister, no fee of a class of fees first charged or imposed after March 31, 1941,³ shall exceed \$250 per annum for each corporation and no fee charged or imposed on or prior to March 31, 1941,³ which is in excess of \$250 per annum for each corporation shall be increased and no fee charged or imposed on or prior to March 31, 1941,³ which is less than \$250 per annum for each corporation shall be increased to an amount in excess of \$250 per annum for each corporation;

(ii) the fees charged for the incorporation of a company;

(iii) a license fee or other fee or tax for specific rights, benefits or franchises granted by a municipality or where they are to be exercised or enjoyed only in territory not included in any municipality by any authority (including the Province) having jurisdiction in such territory;

(iv) any assessments under the Workmen's Compensation (Accident Fund) Act;⁴

(v) a business or occupancy tax based on floor space or on the rental or assessed value of property, or on gross receipts from all or part of the business or other similar basis

³ This date is changed to April 30, 1941 in Manitoba and Saskatchewan; to October 31, 1940, in New Brunswick; to November 30, 1940 in Nova Scotia; and to December 31, 1940 in Prince Edward Island.

⁴ This sub-paragraph does not appear in the agreement with Quebec.

^{4a} Add for Ontario: "or described".

imposed by a municipality, or in territory not included in any municipality by any authority (including the province) having jurisdiction in such territory.

Provided that all the taxes imposed by the enactments enumerated in Appendix A not being income taxes shall be deemed to be corporation taxes, and all the taxes imposed by the enactments enumerated^{4a} in Appendix B shall be deemed not to be corporation taxes.⁵

- (b) "income tax" means any tax imposed upon the net income of a corporation or upon the net income or gross income of an individual or partnership and shall include a poll or head tax based on income;
- (c) "Minister" means the Minister of Finance of Canada;
- (d) "municipality" includes a city, town, incorporated village, county, township, rural municipality, local improvement district, school district and any Board, Commission or other authority created by the Province, which levies or has the right to levy taxes, license fees, royalties or rates;⁶
- (e) "year one thousand nine hundred and forty" means the fiscal year of the Province ended March thirty-first, 1941,⁷ and the fiscal year of any municipality ending nearest to December thirty-first, 1940.⁸

2. The province undertakes to repeal, suspend or nullify, or to have repealed, suspended or nullified until the termination of this agreement, the enactments pursuant to which income and corporation taxes are assessed and levied by the Province⁹ which are enumerated in Appendix A and any other enactments providing for the imposition of an income tax or corporation tax, and to enact or have enacted such legislation as may be necessary to enable the Province to implement and carry out its part of this agreement.

Alberta only:

2. A. The Province agrees to amend the Fuel Oil Licencing Act and /or the regulations thereunder so as to reduce for the terms of this agreement the fees imposed on fuel oil refiners or distributors to a maximum of \$250 per annum in the case of each refiner or distributor.

2. B. The Province agrees to amend The Licencing of Trades and Businesses Act and/or the regulations or ministerial orders thereunder so as to reduce for the term of this agreement the fees imposed thereunder to a maximum of \$250 per annum in the case of each licensee.

⁵ The words "or income taxes" appear here in all agreements except for P.E.I. and B.C.

⁶ In this sub-paragraph of the agreement with Ontario the words "rural municipality" "local improvement district" and "incorporated" are omitted and the term "school authority" is substituted for "school district". In the Manitoba agreement the words "county" "township" and "local improvement district" are omitted while the words "the Municipal District of Flin Flon" are included.

⁷ See footnote 3.

⁸ In the agreement with Quebec paragraph (e) reads as follows: "year one thousand nine hundred and forty" means for the Province the twelve month period ended June thirtieth 1941, and for municipalities the fiscal year of any municipality ending nearest to December thirty-first, 1940.

⁹ In the agreements with New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec, the words "and the municipalities" appear here.

British Columbia only:

2. A. The Province agrees to amend the Fisheries Act, Chapter 101, Revised Statutes of British Columbia 1936, so as to reduce for the term of this agreement the fees imposed on fish buyers to a maximum of \$25 per annum in the case of each licensee.

New Brunswick only:

2. (2) If it should be found that income and corporation taxes or taxes on securities are assessed and levied by the said municipalities in pursuance of enactments which are not shown in Appendix A or Appendix B, the province undertakes to repeal, suspend or nullify or to have repealed, suspended or nullified such enactment until the termination of this agreement.

New Brunswick, Nova Scotia, and Prince Edward Island only:

2. A. The Dominion will suspend for the term of this agreement Order in Council P.C. 2452 dated June seventh, 1940, under which the Canadian National Railway Company was authorized to pay to the Province \$. . .¹⁰. . . per annum for five years commencing with the calendar year 1941, and for the purpose of this agreement the payment of \$. . .¹⁰. . . which was made to the Province by the Canadian National Railway Company on the twenty-third day of May, 1941, shall be dealt with in the same way as if it were a corporation tax other than an income tax and shall be subject to the provisions of Section six hereof.

Nova Scotia only:

2. B. The Province agrees to amend the Domestic, Dominion and Foreign Corporations Act, Chapter 173 of the Revised Statutes of Nova Scotia, 1923, so as to reduce for the term of this agreement the fees charged to insurance companies to a maximum of \$250 per annum in the case of each company and the fees charged to other companies to a nominal sum not exceeding a maximum of \$25 per annum in the case of each company.

New Brunswick and Nova Scotia only:

2. B. The province agrees to amend. . .¹¹. . . and/or the regulations thereunder so as to reduce for the term of this agreement the fees imposed on gasoline refiners or distributors to a maximum of \$250 per annum in the case of each refiner or distributor.

Prince Edward Island only:

2. B. (1) The province agrees to amend Order in Council dated January 11, 1939, establishing rates as provided under Section 83, The Insurance Act, so as to reduce for the term of this agreement the fees imposed on life, accident and guarantee insurance companies to a maximum of \$25 per annum in the case of each company.

(2) The province agrees to amend Chapter 23, 1940, An Act respecting Companies Domiciled or having Security Registers in the Province of Prince Edward Island so as to reduce for the term of this agreement the fees imposed thereunder to a maximum of \$25 per annum in the case of each company.

Quebec only:

2. (2) If it should be found that income and corporation taxes are levied and collected by the said municipi-

¹⁰ New Brunswick:-\$119,000; Nova Scotia:-\$91,000; Prince Edward Island:-\$40,000.

¹¹ In New Brunswick The Gasoline Sales Act; in Nova Scotia The Gasoline Licencing Act.

palities in pursuance of enactments which are not shown in Appendix A or in Appendix B, the province undertakes to repeal or suspend or to have repealed or suspended such enactments until the termination of this agreement, and the Dominion agrees to increase the amount payable to the province for the term of the agreement by the amount of such income and corporation taxes actually collected by the said municipalities in the year one thousand nine hundred and forty under the said enactments which are not shown in Appendix A or in Appendix B.

3. The Province¹² will collect the income taxes imposed by the enactments enumerated in Appendix A on income of the calendar year 1940 and prior years, and any arrears thereof, but will not levy taxes on income of the calendar year 1941, and subsequent years during the term of this agreement.¹³

Substitute for 3 in Manitoba:

3. The Province will through the agency of the Dominion Government collect the income taxes imposed by the enactments enumerated in Appendix A, except taxes under Part II of The Income Taxation Act, on income of the calendar year 1940, and prior years, and any arrears thereof, but will not levy taxes on income of the calendar year 1941 and subsequent years: Provided, however, that the Province will collect the taxes imposed under Part II of The Income Taxation Act on wages for and income of any period prior to July first, 1941, or any arrears thereof, by pay-roll deductions and will collect through the agency of the Dominion Government under Part II of The Income Taxation Act taxes on income other than wages and salaries assessed in respect of the calendar year 1941.

Ontario only:

3 (2) The municipalities in Ontario may collect the taxes on incomes assessed under Section 9 of The Assessment Act, Chapter 272, of the Revised Statutes of Ontario, 1937, which are levied in the calendar years 1941, 1942 and 1943, but will not levy income or corporation taxes in subsequent years during the term of this agreement.

4. In the case of any tax on income of a fiscal period of a taxpayer ending in the calendar year 1941, the Province will collect that proportion of the tax which the number of days of such fiscal period in the calendar year 1940 bears to the total number of days of such fiscal period, and that proportion of the tax which the number of days of such fiscal period in the calendar year 1941 bears to the total number of days of such fiscal period shall not be levied or collected.

Manitoba only:

4. (2) In the case of any tax imposed under Part II of The Income Taxation Act on income other than wages and salaries of a fiscal period of a taxpayer ending in the calendar year 1942, the Province will through the agency of the Dominion Government collect that proportion of the tax which the number of days of such fiscal period

¹² The words "or the said municipalities, as the case may be", appear in the agreements with New Brunswick, Prince Edward Island and Quebec.

¹³ Added to New Brunswick and Nova Scotia agreements:—Provided that any taxes which are levied on income by the said municipalities during their respective fiscal years ending nearest to December thirty-first, 1941, shall for the purposes of this agreement be deemed to be taxes levied on income of the calendar year 1940.

¹⁴ The words "or the said municipalities, as the case may be", appear here in the agreements with New Brunswick, Nova Scotia, Prince Edward Island, and Quebec.

in the calendar year 1941 bears to the total number of days of such fiscal period, and that proportion of the tax which the number of days of such fiscal period in the calendar year 1942 bears to the total number of days of such fiscal period shall not be levied or collected.

5. The Province¹⁴ will refund to taxpayers any income taxes heretofore or hereafter collected on income of the calendar year 1941, or if any fiscal period of a taxpayer ends within such calendar year the Province will refund to taxpayers that proportion of the total tax which the number of days in such fiscal period in such calendar year bears to the total number of days of such fiscal period.

Substitute for 5 in Manitoba agreement:

The Province will refund to taxpayers any income taxes heretofore or hereafter collected on income of the calendar year 1941 or collected upon income other than wages and salaries under Part II of The Income Taxation Act on income of the calendar year 1942; provided that if any fiscal period of a taxpayer shall end within the said calendar year 1941 or within the said calendar year 1942 respectively, the Province will refund to taxpayers any income taxes heretofore or hereafter collected under Part I or upon income other than wages and salaries under Part II of The Income Taxation Act, in respect to that proportion of the total tax which the number of days of such fiscal period in such calendar year bears to the total number of days in such fiscal period respectively. The taxes collected or to be collected under Part II of The Income Taxation Act on wages or salaries for any period prior to July 1, 1941, shall not be refunded.

6. (1) The Province¹⁵ will collect the corporation taxes, other than income tax, which became due and payable on or before September first, 1941, imposed by the enactments enumerated in Appendix A.

(2) The Province¹⁵ will not collect the corporation taxes, other than income tax aforesaid which became due and payable after September first, 1941.

(3) The Province¹⁵ will refund to taxpayers the amount of any corporation taxes, other than income tax, heretofore or hereafter paid, the collection of which by the Province¹⁵ is prohibited by the terms of the next preceding subsection of this section.

7. The Province will take whatever action may be necessary to ensure that the said municipalities shall not levy or collect any income or corporation taxes during the term of this agreement except as provided in this agreement.

8. (1) For the purposes of this section, "security" means any mortgage, bond, debenture, stock, share or any document constituting evidence of title to or interest in the capital, assets, property,¹⁶ profits, earnings or royalties of any person or company.

(2) Subject as provided in the next succeeding subsection the Province will not until the termination of this agreement:

- (a) impose or enact any statute providing for the imposition of income or corporation taxes, or
- (b) amend, revive, or re-enact any of the enactments enumerated in Appendix A in such manner as will impose an income or corporation tax during the term of this agreement, or

¹⁵ The words "or the said municipalities, as the case may be", appear here in the agreements with New Brunswick, Nova Scotia, Prince Edward Island and Quebec.

¹⁶ This word was omitted from the agreement with Quebec.

- (c) take any action or permit any municipality to take any action to impose taxes on any security or any other tax which would have the effect of evading the true intent and purpose of this agreement, which is to secure the income and corporation tax fields to the Dominion during the term of this agreement.¹⁷

(3) The Province, however, may subject to the provisions of section twenty, pass legislation during the term of this agreement to impose or authorize the municipalities to impose income and corporation taxes¹⁸, such legislation to come into effect at the expiration of this agreement.

9. (1) Notwithstanding anything herein contained, this agreement shall not be construed as interfering with the right of the Province¹⁹ to levy and collect taxes, license fees and royalties upon or in respect of natural resources within the Province but any such taxes, license fees and royalties imposed after June twenty-fourth 1940, and increases in taxes, license fees and royalties after the said date will be subject to the provisions of section 6(o) of the Income War Tax Act.

(2) Taxes, license fees and royalties imposed by the enactments enumerated in Appendix C to this agreement shall be deemed to be upon or in respect of natural resources.

10. The Dominion will pay to the Province in respect of each fiscal year of the Province during the term of the agreement the sum of \$...²⁰... computed as set out in Appendix D less the deductions provided for in sections eleven and twelve.^{20a}

Add to Prince Edward Island, Nova Scotia and New Brunswick:

The amount payable to the Province under the terms of this agreement includes an amount of \$...²¹... equal to the additional grant awarded to the Province following recommendations made by the Duncan and White Commissions. The Dominion recognizes that this grant is in the nature of a subsidy and undertakes to continue the payment of this amount to the Province after the termination of this agreement.

Add to Manitoba, Saskatchewan and British Columbia:

10A. Neither the execution of this agreement nor anything herein contained shall affect or prejudice any right or claim, moral or otherwise which the Province may have to the restoration or continuation, at the termination of this agreement, of the \$...²²... special grant discontinued by the Dominion in the year 1941.

¹⁷ In the agreement with New Brunswick, the following proviso is added: "Provided that this shall not be construed as prohibiting the collection by the said municipalities of any taxes imposed on securities during the fiscal years of the said municipalities ending nearest to December 31, 1941."

¹⁸ In the agreement with New Brunswick, the words "and taxes on securities" are inserted here.

¹⁹ The words "or the said municipalities" appear here in the agreement with Ontario.

²⁰ P.E.I.	\$ 701,943.96	Man.	\$ 5,654,740.92
N.S.	2,911,078.03	Sask.	5,830,471.29
N.B.	3,650,067.45	Alberta	4,080,860.64
Que.	20,586,074.56	B.C.	12,048,367.51
Ont.	28,964,039.54		

^{20a} The agreement with New Brunswick adds here the phrase, "which sum includes the sum of \$1,384,410.23 payable to the Province on account of the said municipalities computed as set out in Appendix DD."

²¹ P.E.I.	\$ 275,000.00	²² Man.	\$ 750,000.00
N.S.	1,300,000.00	Sask.	1,500,000.00
N.B.	900,000.00	B.C.	750,000.00

11. From the sum of \$...²³... payable by the Dominion each year under the provisions of section ten, there shall be deducted from time to time pursuant to the provisions of section fourteen, the amount of any income or corporation taxes collected by the Province during the term of this agreement and the amount of such taxes collected by its municipalities during the twelve months following the last day of the year one thousand nine hundred and forty, under the provisions of any of the enactments enumerated in Appendix A, less the amount of any such taxes so collected which are later refunded to the taxpayer pursuant to the provisions of sections five and six: Provided that after the cumulative total of all such deductions amounts to \$...²⁴... no further deductions shall be made.

Add for New Brunswick:

11. (2) For the purposes of this agreement, the deductions to be made in respect of the said municipalities, shall be the sum of \$1,384,410.23.

12. The Province shall be entitled to retain out of taxes imposed by the enactments enumerated in Appendix A and collected after March thirty-first, 1942,²⁵ an amount equivalent to ten per cent thereof and any amount so retained by the Province shall be excluded when computing the amount to be deducted from the payments by the Dominion under the provisions of section eleven. ²⁶Provided, however, that the provisions of this section shall not apply to taxes collected by the Dominion as agent for the Province.

13. Within sixty days after the date of this agreement and within sixty days after the close of each quarterly period thereafter ending June thirtieth, September thirtieth, December thirty-first, and March thirty-first²⁷ respectively, the Province will submit to the Minister a statement in a form to be mutually agreed upon showing the amount to be deducted pursuant to the provisions of section eleven and twelve in respect of any taxes collected by the Province²⁸ during the period covered by such statement. These statements shall be signed by the Provincial Treasurer^{28a} or by the Deputy Provincial Treasurer^{28a} and by the Provincial Auditor:^{28a} Provided that after the cumulative total of the deductions provided for in sections eleven and twelve

²³ P.E.I.	\$ 701,943.96	²⁴ P.E.I.	\$ 251,943.96
N.S.	2,911,078.03	N.S.	1,611,078.03
N.B.	3,650,067.45	N.B.	2,450,067.45
Que.	20,586,074.56	Que.	20,586,074.56
Ont.	28,964,039.54	Ont.	28,964,039.54
Man.	5,654,740.92	Man.	5,054,740.92
Sask.	5,830,471.29	Sask.	2,092,922.69
Alberta	4,080,860.64	Alberta	4,080,860.64
B.C.	12,048,367.51	B.C.	12,048,367.51

²⁵ See footnote 3.

²⁶ This proviso appears only in the agreements of Prince Edward Island, Quebec, Ontario and Manitoba.

²⁷ These dates are, in the agreements with Prince Edward Island, March 31, June 30, September 30 and December 31; Nova Scotia, February 28, May 31, August 31 and November 30; New Brunswick, January 31, April 30, July 31 and October 31; Manitoba and Saskatchewan July 31, October 31, January 31 and April 30.

²⁸ In the agreements with P.E.I., Nova Scotia, New Brunswick, Quebec and Ontario, the words "and the said municipalities" appear here.

^{28a} These titles are varied as follows:

N.S.—Read "Auditor" for "Provincial Auditor".

Man. and N.B.—Read "Comptroller General" for "Provincial Auditor."

Ont.—Read "Controller of Finances" for "Deputy Provincial Treasurer."

B.C.—"Minister of Finance of British Columbia or Deputy Minister of Finance of British Columbia and by the Comptroller General".

amounts to \$...²⁹... the Province will not be required to submit any further statements to the Minister under this section.

14. (1) The amount payable by the Dominion under section ten shall be paid to the Province in each year in quarterly instalments as follows:

Prince Edward Island:—

Thirty percent of the total shall be paid on March thirty-first; fifty percent of the total shall be paid on June thirtieth; ten percent of the total shall be paid on September thirtieth and ten percent of the total shall be paid on December thirty-first.

Nova Scotia:—

Fifteen percent of the total shall be paid on February twenty-eighth; sixty-five percent of the total shall be paid May thirty-first; ten percent of the total shall be paid on August thirty-first; and ten percent of the total shall be paid on November thirtieth.

New Brunswick:—

Twenty-five percent of the total shall be paid on January thirty-first; twenty-five percent of the total shall be paid April thirtieth; twenty-five percent of the total shall be paid on July thirty-first; and twenty-five percent of the total shall be paid on October thirty-first.

Quebec, Ontario:—

Fifty percent of the total shall be paid on June thirtieth; thirty percent of the total shall be paid on September thirtieth; ten percent of the total shall be paid on December thirty-first and ten percent of the total shall be paid on March thirty-first.

Manitoba:—

Twenty-five percent of the total shall be paid on July thirty-first; twenty-five percent of the total shall be paid on October thirty-first; twenty-five percent of the total shall be paid on January thirty-first; and twenty-five percent of the total shall be paid on April thirtieth.

Saskatchewan:—

Fifty percent of the total shall be paid on July thirty-first; fifteen percent of the total shall be paid on October thirty-first; ten percent of the total shall be paid on January thirty-first; and twenty-five percent of the total shall be paid on April thirtieth.

Alberta:—

Ten percent of the total shall be paid on June thirtieth; fifteen percent of the total shall be paid on September thirtieth; twenty-five percent of the total shall be paid on December thirty-first; and fifty percent of the total shall be paid on March thirty-first.

British Columbia:—

Twenty-five percent of the total shall be paid on June thirtieth; twenty-five percent of the total shall be paid on September thirtieth; twenty-five percent of

the total shall be paid on December thirty-first; and twenty-five percent of the total shall be paid on March thirty-first.

14. (2) Notwithstanding the provisions of sub-section (1), any quarterly instalments which apply to the period from April 1, 1941,³⁰ to the date of this agreement shall become due and payable within one month of the receipt by the Minister of the statements required under section thirteen.

(3) From the total of the quarterly instalments payable under the provision of sub-section (2), there shall be deducted in accordance with the provisions of sections eleven and twelve, the amount of any taxes collected by the Province³¹ from³² the last day of the year one thousand nine hundred and forty to the last day of the quarterly periods for which the said quarterly instalments are payable.³³

(4) Subject to provisions of sub-section five no deductions shall be made from the quarterly instalment applicable to the first quarterly period ending after the date of this agreement. From each of the subsequent quarterly instalments there shall be deducted, in accordance with the provisions of sections eleven and twelve, the amount of the taxes collected by the Province²⁸ during the quarterly period immediately preceding the period for which the said quarterly instalment is payable.

(5) If the amount to be deducted in respect of any quarterly period or periods exceeds the amount which would otherwise be payable by the Dominion, the amount of the excess shall be carried forward and deducted from the amount of the succeeding payment or payments which would otherwise be made by the Dominion.

15. Within thirty days of the termination of this agreement, as provided for in sections twenty-one and twenty-three hereof, the Dominion will pay to the Province the total amount deducted from time to time under the provisions of this agreement.

16. (1) In this section "net receipts from the gasoline tax" means the total receipts, other than from license fees, collected by the Province on the sale of gasoline under the provision of ...³⁴... reduced by the amount of the refunds of such tax lawfully made under the said Act.^{34a}

(2) Subject to the conditions hereinafter contained the Dominion agrees to pay to the Province at the end of each fiscal year of the Province during the term of this agreement the amount by which the net receipts from the gasoline tax in such fiscal year is less than the

³⁰ This date is in P.E.I. Jan. 1, 1941; in Nova Scotia Dec. 1, 1940; in New Brunswick Nov. 1, 1940; in Manitoba and Saskatchewan May 1, 1941.

³¹ The phrase "and the said municipalities" appears here in the agreements with Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario.

³² In the agreement with Quebec the date is March 31, 1941 instead of "the last day of the year one thousand nine hundred and forty".

³³ To the agreement with Quebec is added "and by the said municipalities from the last day of the year one thousand nine hundred and forty, to the last day of the quarterly periods for which the said quarterly instalments are payable."

³⁴ In the agreements of P.E.I., N.S., Man. and B.C. "The Gasoline Tax Act".

In the agreements of N. B. "The Gasoline Sales Act"

" " " " Que. Ont. "The Gasoline Act"

" " " " Sask. "The Fuel Petroleum Products Act"

" " " " Alta. "The Fuel Oil Tax Act, 1941".

^{34a} For Manitoba add, "or under the Treasury Act".

²⁹ P.E.I.	\$ 251,943.96	Man.	\$ 5,054,740.92
N.S.	1,611,078.03	Sask.	2,092,922.69
N.B.	2,450,067.45	Alta.	4,080,860.64
Que.	20,586,074.56	B.C.	12,048,367.51
Ont.	28,964,039.54		

amount of the net receipts from the gasoline tax collected in the year one thousand nine hundred and forty, as set forth in Appendix E.

(3) If the Province

- (a) amends ...³⁴... or the regulations thereunder, or
- (b) fails to exercise due diligence and efficiency in the administration of the said Act and regulations

the Dominion may, if in the opinion of the Minister the amount of the net receipts from the gasoline tax in any year is reduced below the amount which would have been realized but for such amendment, or but for such failure to exercise due diligence and efficiency in the administration of the said Act and regulations, deduct from the amount payable to the Province in any year under this section the loss in net receipts attributable to such amendment or to such failure to exercise due diligence and efficiency as aforesaid, the said loss having been fairly and reasonably determined as hereinafter provided.

(4) The Minister shall make a fair and reasonable estimate of the loss aforesaid, and the Dominion shall deduct the amount of such estimate from the amount which would otherwise be payable to the Province under this section, and if the Province does not agree that there is any such loss, or that the said estimate is fair and reasonable, the matter in dispute, including the amount of the said loss, if any, shall be determined by a qualified accountant or other suitable person selected by the parties hereto, whose decision shall be final and binding. If the parties are unable to agree upon the selection of a qualified accountant or other suitable person as aforesaid the said matter in dispute and the amount of the said loss, if any, shall be determined by an arbitral tribunal pursuant to section twenty-one hereof.

17. After the close of each fiscal year of the Province, the Province undertakes to submit to the Minister a statement in a form to be mutually agreed upon signed by the Provincial Treasurer^{28a} or by the Deputy Provincial Treasurer^{28a} and by the Provincial Auditor,^{28a} showing the amount claimed to be payable by the Dominion under the provisions of section sixteen; payment shall be due one month after the receipt by the Minister of the said statement; Provided that if the Minister is satisfied that the receipts by the Province from gasoline taxes in any quarterly period during the term of this agreement are substantially less than the amount of the receipts by the Province in the corresponding quarterly period in the year one thousand nine hundred and forty and that the Province will be entitled to payment under section sixteen hereof, the Dominion may from time to time during the fiscal year of the Province make advances to the Province on account of the payments provided for in section sixteen, and if any such advance results in an overpayment by the Dominion to the Province, the Dominion may deduct the amount of such overpayment from any sum or sums payable by the Dominion to the Province under this agreement.

³⁴ In the agreements of P.E.I., N.S., Man. and B.C. "The Gasoline Tax Act".

In the agreement of N.B. "The Gasoline Sales Act".

In the agreements of Que., Ont., "The Gasoline Act".

In the agreement of Sask., "The Fuel Petroleum Products Act".

In the agreement of Alta., "The Fuel Oil Tax Act, 1941".

18. The Province will make available to the Dominion all necessary records and documents and afford reasonable facilities to permit the Dominion to establish the amounts which may be due and payable by the Dominion under section sixteen of this agreement.

19. The Province will make available to the Dominion all necessary records and documents of the Province³⁵ and afford reasonable facilities to permit the Dominion to establish from time to time the amount of the deductions provided for in section eleven.

20. (1) The Dominion shall have the sole right to levy taxes on personal and corporation incomes of the calendar year ending on the thirty-first day of December nearest to the date of the termination of this agreement, and with respect to personal and corporation incomes in the following calendar year undertakes to reduce its rates of taxes by such an amount as will enable the Province again to use the income tax and corporation tax fields, and in particular the Dominion undertakes to reduce its rate of tax on corporation incomes by at least ten per cent of such incomes.

(2) The Province³⁶ agrees that it will not levy or collect corporation taxes other than income taxes which become due and payable on or before September first in the year following the thirty-first day of December nearest to the date of the termination of this agreement.

(3) The provisions of this section shall not be operative if the Province terminates this agreement³⁷ in accordance with the provisions of³⁸ sub-section (3) of section twenty-one hereof.

21. (1) If the parties hereto fail to agree on the interpretation of any of the provisions of this agreement or on any matter arising therefrom either party shall have the right to refer the matter in dispute to an arbitral tribunal constituted in accordance with section twenty-two hereof.

(2) If in the opinion of the Dominion the Province, or any of the said municipalities, imposes or collects any tax in contravention or otherwise fails to observe any of the provisions of this agreement, the Dominion may refer the matter in dispute to an arbitral tribunal.

(3) If the arbitral tribunal decides that the Province, or any of the said municipalities, has contravened or failed to observe the provisions of this agreement, the Province will promptly take such action as may be necessary to rectify its position and if in the opinion of the arbitral tribunal it fails to do so, the Dominion may terminate the agreement or may deduct the amount of any tax so imposed or collected from any sum or sums payable to the Province under this agreement.

(4) If in the opinion of the Province the Dominion fails to observe any of the provisions of this agreement, the Province may refer the matter in dispute to an arbitral tribunal.

³⁵ The phrase "and said municipalities" appears here in the agreements with Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario.

³⁶ The words "for itself and the said municipalities" appear here in the agreement with New Brunswick.

³⁷ In the agreement with Quebec, the words "before the cessation of hostilities" appear here.

³⁸ In the agreement with Quebec the words "Sub-section 5 of section twenty-three hereof, or if the Dominion terminates this agreement in accordance with the provisions of" appear here.

(5) If the arbitral tribunal decides that the Dominion has contravened or failed to observe the provisions of this agreement, the Dominion will promptly rectify its position and if in the opinion of the arbitral tribunal it fails to do so the Province may terminate the agreement forthwith.

22. (1) Each arbitral tribunal shall consist of three members of which one member shall be selected by the Government of Canada, one by the Government of (name of Province), and the third member by the other two members. If they fail to agree the third member of the tribunal shall be chosen by the Chief Justice of Canada.

(2) The parties hereto agree to facilitate the constitution and functioning of arbitral tribunals; to supply promptly such information as may be required by such tribunals; and to accept the findings and decisions of such tribunals as final and binding upon them.

(3) The findings of any two members of the tribunal in agreement shall constitute the findings of the tribunal and should more than one item be referred to the tribunal at any one time this rule shall apply with respect to each item.

(4) The procedure in any arbitration under the provisions of this agreement shall be determined by the arbitral tribunal.

(5) The expenses of any arbitral tribunal constituted under the provisions of this agreement shall be payable by the Dominion.

23. (1) This agreement shall continue in force until and terminate on the last day of the fiscal year of the Province ending nearest to the thirty-first day of December in the first calendar year which begins after the date of the cessations of hostilities, complete or substantial, between the Dominion of Canada and Germany, Italy and Japan, unless sooner terminated pursuant to the provisions hereof.

(2) The Dominion shall, exercising its best judgment on all the available facts, fairly determine the date of such cessation of hostilities, complete or substantial, and shall thereupon give notice to the Province, specifying such date so determined, which shall thereafter, for the purposes of this agreement, be deemed to be the date of the cessation of hostilities, complete or substantial, between the Dominion of Canada and Germany, Italy and Japan.

(3) If at any time, no such notice having been given, the Province is of the opinion that the aforesaid hostilities have ceased, completely or substantially, the Province may request the Dominion to call a conference of the Provinces and the Dominion for the purpose of consulting together as to whether the aforesaid hostilities have in fact ceased, completely or substantially, and, if so, on what date. Upon receipt of such request, the Dominion will forthwith call such conference and will thereafter give the notice herein before provided for at such time and specifying such date as the Dominion deems proper having regard to the views expressed at the said conference and to the obligation of the Dominion to exercise its best judgment on all the available facts and fairly to determine the date of the cessation of hostilities, complete or substantial, and to notify the Province thereof.

(4) In any event such cessation of hostilities shall not for the purposes of this agreement, be deemed to have taken place later than the date of a proclamation issued by His Majesty or under the authority of the Governor in Council, pursuant to section 2 of the War Measures Act, declaring that the war no longer exists.

(5) The Province may terminate this agreement on the thirty-first day of March³⁹ of any year if notice of intention to do so is given in writing to the Minister thirty days before such date.

24. The expression "term of this agreement" wherever it appears in this agreement means the period from and including April first, 1941⁴⁰ to the termination of this agreement.

In witness whereof, etc.

³⁹ The date is, in P.E.I. Dec. 31; in Nova Scotia, Nov. 30; in New Brunswick Oct. 31; and in Manitoba and Saskatchewan April 30.

⁴⁰ This date is changed to January 1, 1941 in Prince Edward Island; to December 1, 1940 in Nova Scotia; to November 1, 1940 in New Brunswick; and to May 1, 1941 in Manitoba and Saskatchewan.

DOMINION-PROVINCIAL LIQUOR AGREEMENT

Whereas the Wartime Alcoholic Beverage Order, 1942, being Order in Council P.C. 11374 dated the sixteenth day of December, one thousand nine hundred and forty-two, as amended, imposes certain restrictions on the sale, supply, delivery and importation of alcoholic beverages, which first came into force on the seventeenth day of December, one thousand nine hundred and forty-two.

And whereas the Province did, on the fourth day of March, one thousand nine hundred and forty-three, increase the retail sale prices of spirits by an amount equivalent, at the least to four dollars (\$4.00) per proof gallon and has, since that time, maintained the said price as so increased;

And whereas the Dominion has agreed to pay to the Province the amount by which its liquor revenues in each of its fiscal years of the time the said restrictions are in force is less than its liquor revenues in the twelve months that ended on the thirtieth day of June, one thousand nine hundred and forty-two, provided the Province maintains throughout each such year the retail prices of spirits increased as aforesaid:

Now therefore this agreement witnesseth that:

1. In this agreement, unless the context otherwise requires,

- (a) "alcoholic beverages" includes spirits, beer and wine;
- (b) "arbitral tribunal" means an arbitral tribunal constituted in accordance with paragraph nine of this agreement;
- (c) "base year" means the twelve month period that ended on the thirtieth day of June, one thousand nine hundred and forty-two;
- (d) "beer" has the same meaning as in the Excise Act, 1934, Chapter 52, Statutes of Canada 1934;
- (e) "fiscal year of the Province" means the fiscal year fixed—(1)—;
- (f) "Liquor Control Commission" means—(2)—established by—(3)—;

* For footnoted variations, see end of main body of agreement.

- (g) "liquor revenues of the Province", "total liquor revenues of the Province" and "adjusted liquor revenues of the Province", includes respectively the liquor revenues of the Liquor Control Commission,² the total liquor revenues of the Liquor Control Commission,² and the adjusted liquor revenues of the Liquor Control Commission;²
- (h) "Minister" means the Minister of Finance of Canada;
- (i) "spirits" means all potable distillates produced by a distiller, and includes alcoholic beverages commonly known as pure alcohol, whisky, brandy, rum, gin, cocktails and liqueurs;
- (j) "term of this agreement" means the period commencing —(4)— one thousand nine hundred and forty-three and ending on the day when this agreement terminates; and
- (k) "wine" means any alcoholic beverage, the product of the natural or induced fermentation of fruit, agricultural products or any saccharine material fermented alone or in combination without any process of distillation.

2. The Province agrees to maintain, during the term of this agreement, the retail sale price of spirits at amounts at least four dollars (\$4.00) per proof gallon in excess of the prices at which they were sold in —(5)— immediately prior to the fourth day of March, one thousand nine hundred and forty-three.

3. (1) The Dominion agrees to pay to the Province the amount by which the adjusted liquor revenues of the Province, determined in accordance with paragraph seven of this agreement, are, in each of the province's fiscal years within the term of this agreement, less than the adjusted liquor revenues of the Province in the base year also determined in accordance with paragraph seven of this agreement.

(2) It is agreed by the parties hereto that the adjusted liquor revenues of the Province during the base year shall be deemed to be \$—(6)—, being the amount thereof as determined upon information supplied by the Province which is set forth in Appendix "A" to this agreement; provided that, if the parties hereafter agree that there is any mistake or omission in the statement contained in Appendix "A" the said amount shall be varied accordingly: And provided further that, if either party hereafter is of opinion that there is any such mistake or omission and the other party does not agree, the matter shall be determined by an arbitral tribunal appointed pursuant to paragraph nine of this agreement.

4. (1) If the adjusted liquor revenues of the Province in any fiscal year are diminished by

- (a) a change, after the second day of March, one thousand nine hundred and forty-three, in the established business or accounting practices of the Liquor Control Commission;^{6a}
- (b) an amendment, after the second day of March, one thousand nine hundred and forty-three, to —(7)— or the regulations made thereunder, or any other alteration in the laws or regulations governing the sale of alcoholic beverages in the Province;
- (c) a failure to maintain the prices of spirits as agreed in paragraph two of this agreement;

- (d) a failure by the Province or the Liquor Control Commission^{6a} to use due diligence and efficiency in the administration of —(7)— or regulations made thereunder;
- (e) a change, after the thirtieth day of June, one thousand nine hundred and forty-two, in the provisions concerning heating, lighting, taxes, insurance and other costs or charges (other than rent) payable by the lessee in leases of premises rented by the Liquor Control Commission^{6a} or the Province;
- (f) an increase in the number of employees or a raise in remuneration of an employee after the thirtieth day of June, one thousand nine hundred and forty-two, other than
 - (i) a regular increase in remuneration made under existing statutory authority or made in accordance with established civil service practice in the Province;
 - (ii) a raise in remuneration occasioned by an increase in the cost of living similar to the cost of living bonus accorded to civil servants in the Province; or
 - (iii) an increase in the number of employees or a raise in remuneration of an employee that is shown to the satisfaction of the Minister to be justified by increased duties or added responsibilities; or
- (g) a reduction in the quantity of alcoholic beverages sold by the Province or the Liquor Control Commission^{6a} during any fiscal year within the term of this agreement below the quantity of alcoholic beverages which is available for purchase and sale during the said year by the Province or the Liquor Control Commission^{6a} within the restrictions imposed by the Wartime Alcoholic Beverages Order 1942 as amended, (provided that any reduction in the quantity sold caused by a failure to obtain delivery arising out of no fault, defection or omission of the Province or the Liquor Control Commission,^{6a} shall not be deemed to be a reduction within the meaning of this paragraph);

it is agreed that the Dominion may deduct from the amount payable to the Province in respect of such year under paragraph three of this agreement the amount by which the said adjusted liquor revenues are so diminished.

(2) Where the Dominion claims to deduct an amount under sub-paragraph one of this paragraph, the Minister shall make a fair and reasonable estimate of the amount by which the adjusted liquor revenues of the Province for the year have been diminished by one of the causes set out therein, and the Dominion shall deduct the amount so estimated from the amount which would otherwise be payable to the Province under paragraph three in respect of such year, and shall inform the Province as to the clause in sub-paragraph one of this paragraph under which the deduction is made, but if the Province does not agree that there is any such diminution or that the said estimate is fair and reasonable, the matter in dispute shall be determined by a suitable person selected by the parties and his decision thereon shall be final and binding unless the parties are unable to agree upon the selection of a suitable person as aforesaid in which case the matter in dispute shall be determined by an arbitral tribunal.

5. The Province agrees to submit to the Minister, within four months after the close of each fiscal year of the Province in respect of which a claim under paragraph three of this agreement is being made, a statement in a form to be mutually agreed upon, signed by the Chairman⁸ of the Liquor Control Commission^{6a}, the Comptroller-General⁹ and either the Provincial Treasurer¹⁰ or the Deputy Provincial Treasurer¹¹ of—(5)—, showing the amount claimed to be payable by the Dominion under paragraph three of this agreement and the Dominion agrees to make the payment under paragraph three of this agreement

- (i) if no submission with reference to the amount thereof is being, or has been, made to a suitable person under paragraph 4(2) or to an arbitral tribunal, within sixty days after receipt by him of the said statement; and
- (ii) if a submission with reference to the amount thereof is being, or has been, made to a suitable person under paragraph 4(2) or to an arbitral tribunal, within one month after receipt by him of the decision, provided that the Minister may make an interim payment on account of the amount claimed if the question being referred to the said person or tribunal involves only a small portion of the total amount claimed.

6. The Province agrees to make available to the Dominion such of the records and documents of the Liquor Control Commission^{6a} or of the Province and to afford to the Dominion such facilities as are necessary to permit the Dominion to establish the amounts payable under paragraph three of this agreement.

7. (1) To determine, for the purposes of this agreement, the adjusted liquor revenues of the Province either in the base year or any fiscal year of the Province, there shall be deducted from the total revenue for the year of the province derived from the exercise of control by the Province over the sale of alcoholic beverages within the Province the expenses necessarily incurred during the year in the administration and operation of —(7)— subject to the exceptions and limitations provided for in sub-paragraph (2) hereof.

(2) In the determination of the adjusted liquor revenues of the Province under sub-paragraph one of this paragraph:

- (a) Without limiting the generality thereof, total revenue shall include all amounts received or receivable
 - (i) from the sale of alcoholic beverages including confiscated alcoholic beverages;
 - (ii) from issuing licences and permits and from transfer fees;
 - (iii) in respect of shortages, breakages or refunds of customs duties and excise and sales taxes;
 - (iv) from any taxes on malt or native wines and any gallonage tax;¹²
 - (v) from the commission or profit on the sale of alcoholic beverages outside the Province;
 - (vi) in respect of the operation of —(7)— or in any other way derived from the exercise of control by the Province over the sale of alcoholic beverages within the Province;

(b) neither fines levied for contraventions of —(7)— or regulations made thereunder nor interest on bank balances nor income from investments shall be included as revenue;

(c) no amount shall be included as part of the cost of sales except the costs and expenses incurred in laying down the goods sold at the premises of the Province or the Liquor Control Commission^{6a}; and in computing the 'cost of sales' stocks on hand shall be valued on the "first-in first-out" method;

(d) the total amount included as an expense for rentals, except such increases as may be approved by the Minister, shall not exceed \$—(13)— which is agreed to have been the amount incurred for rentals during the base year;

(e) the total amount included as an expense for salaries and wages of employees, exclusive of amounts paid by reason of an increase in the number of employees or a raise in remuneration which are not deemed diminutions of the adjusted liquor revenues within the meaning of paragraph 4(1)(f) of this agreement, shall not exceed \$—(14)—, which is agreed to be the total amount incurred for such expenses and costs during the base year;

(f) the following shall not be included as expenses

- (i) bank interest;
- (ii) any provision for depreciation of capital assets or amortization of capital expenditures;
- (iii) any expense of or provision for replacement or repair of premises;
- (iv) any expense of or provision for additions to or alterations of capital assets;
- (v) any expense of or provision for an employees' superannuation or pension fund or plan, a retiring allowance, or for payments under —(15)—
- (vi) any expense of or provision for an employees' group insurance plan;
- (vii) the cost of law enforcement; and

(g) no amount shall be included as an expense in respect of

- (i) a reserve for losses on realization of inventories;
- (ii) a reserve for contingencies; or
- (iii) a reserve of any other kind except a reserve provided under established business and accounting practices of the Liquor Control Commission^{6a} for bad debts, breakages, foreign exchange or accruing charges or expenses not specifically disallowed as deductions in determining liquor revenues under this paragraph.

8. If any question arises as to the interpretation of this agreement or as to whether there has been a breach of any of the provisions of this agreement, either of the parties hereto may refer the question to an arbitral tribunal constituted under paragraph nine of this agreement and the decision of the arbitral tribunal thereon shall be final.

9. (1) Where an arbitral tribunal is required to decide any matter under this agreement, it shall consist of three members of which the Dominion and the Province shall each select one and the two members so selected shall select the third unless they fail to agree in which case the third member shall be chosen by the Chief Justice of Canada.

(2) Where an arbitral tribunal is required to decide any matter under this agreement, the parties hereto agree to facilitate the constitution thereof.

(3) The parties hereto agree to facilitate the functioning of every arbitral tribunal constituted under this paragraph and to supply promptly such information as the arbitral tribunal may require.

(4) The parties hereto agree that the expenses of an arbitral tribunal constituted under this paragraph shall be payable by the Dominion or the Province or by the Dominion and the Province jointly as recommended by the tribunal.

10. This agreement shall continue in force until, and terminate on, the last day of the fiscal year of the Province during which the Dominion revokes the restrictions on the sale, supply, delivery and importation of alcoholic beverages contained in the Wartime Alcoholic Beverages Order, 1942, as amended, or any order substituted therefor.

IN WITNESS WHEREOF, etc.

Variations in individual agreements:

- (1) P.E.I.—"and constituted by The Audit Act, Statutes of Prince Edward Island, 1940, Chapter 8"
 N.S. —"by Chapter 18 of the Statutes of Nova Scotia, 1934"
 N.B. —"by The Audit Act, Chapter 13, Revised Statutes of New Brunswick, 1927"
 Que. —"by the Provincial Audit Act, Chapter 72, Revised Statutes of Quebec, 1941"
 Ont. —"by The Audit Act of Ontario, Chapter 24, Revised Statutes of Ontario, 1937"
 Man. —"by 'The Treasury Act', Chapter 220, Revised Statutes of Manitoba, 1940"
 Sask. —"of the Liquor Board fixed by The Liquor Act, Chapter 279, Revised Statutes of Saskatchewan, 1940"
 Alta. —"by The Treasury Department Act, Chapter 18, Revised Statutes of Alberta, 1942"
 B.C. —"by The Audit Act, Chapter 19, Revised Statutes of British Columbia, 1936"
- (2) Read for each province as follows:
 P.E.I.—the Wholesale Vendor of Prince Edward Island
 N.S. —The Nova Scotia Liquor Commission
 N.B. —The New Brunswick Liquor Control Board
 Que. —The Quebec Liquor Commission
 Ont. —the Liquor Control Board of Ontario
 Man. —The Government Liquor Control Commission
 Sask. —the Liquor Board, Saskatchewan
 Alta. —the Alberta Liquor Control Board
 B.C. —the Liquor Control Board of British Columbia
- (3) P.E.I.—The Prohibition Act, Statutes of Prince Edward Island, 1937, Chapter 27
 N.S. —The Nova Scotia Liquor Control Act, Statutes of Nova Scotia, 1930, Chapter 2
 N.B. —The Intoxicating Liquor Act, Revised Statutes of New Brunswick, 1927, Chapter 28
 Que. —the Alcoholic Liquor Act, Chapter 255, Revised Statutes of Quebec, 1941
 Ont. —The Liquor Control Act of Ontario, Revised Statutes of Ontario, 1937, Chapter 294
 Man. —The Government Liquor Control Act, 1928, Chapter 88, Revised Statutes of Manitoba, 1940
 Sask. —The Liquor Act, Chapter 279, Revised Statutes of Saskatchewan, 1940
 Alta. —the Government Liquor Control Act, Chapter 24, Revised Statutes of Alberta, 1942
 B.C. —the Government Liquor Act, Chapter 160, Revised Statutes of British Columbia, 1936.
- (4) P.E.I.—the first day of January, one thousand nine hundred and forty-three
 N.S. —the first day of December, one thousand nine hundred and forty-two

N.B. —the first day of November, one thousand nine hundred and forty-two
 Que. }
 Ont. } —the first day of April, one thousand nine hundred and forty-three
 Man. }
 Sask. } —the first day of May, one thousand nine hundred and forty-three
 Alta. }
 B.C. } —the first day of April, one thousand nine hundred and forty-three

(5) Read here the name of the Province concerned.

(6) P.E.I.—	\$ 149,264.68	Ont.	\$16,312,616.49
N.S.	4,211,905.53	Man.	3,033,934.46
N.B.	2,666,115.59	Sask.	2,531,588.58
Que.	11,009,047.93	Alta.	4,178,493.69
		B.C.	6,368,236.86

(6a) P.E.I.—Wholesale Vendor Man.—Liquor Control Commission
 N.S. —Liquor Commission Sask.—Liquor Board
 N.B. —Liquor Control Board Alta.—Liquor Control Board
 Que. —Liquor Commission B.C.—Liquor Control Board
 Ont. —Liquor Control Board

(7) P.E.I.—The Prohibition Act of Prince Edward Island
 N.S. —The Nova Scotia Liquor Control Act
 N.B. —The Intoxicating Liquor Act of New Brunswick
 Que. —The Alcoholic Liquor Act
 Ont. —The Liquor Control Act of Ontario
 Man. —The Government Liquor Act, 1928
 Sask. —The Liquor Act
 Alta. —The Government Liquor Control Act
 B.C. —The Government Liquor Act

(8) P.E.I.—Wholesale Vendor	(9) Provincial Auditor
N.S. —Chief Commissioner	Provincial Auditor
N.B. —Commissioner	Comptroller-General
Que. —Manager	Provincial Auditor
Ont. —Chief Commissioner	Provincial Auditor
Man. —Chairman	Comptroller-General
Sask. —Chairman	Provincial Auditor
Alta. —Chairman	Provincial Auditor
B.C. —Chairman	Comptroller General

(10) P.E.I.—Provincial Treasurer	(11) Deputy Provincial Treasurer
N.S. —Provincial Treasurer	Deputy Provincial Treasurer
N.B. —Provincial Secretary	Deputy Provincial Secretary
Treasurer	Treasurer
Que. —Provincial Treasurer	Assistant Provincial Treasurer
Ont. —Treasurer of Ontario	Controller of Finances of Ontario
Man. —Provincial Treasurer	Deputy Provincial Treasurer
Sask. —Provincial Treasurer	Deputy Provincial Treasurer
Alta. —Provincial Treasurer	Deputy Provincial Treasurer
B.C. —Minister of Finance of British Columbia	Deputy Minister of Finance of British Columbia

(12) This paragraph varied in certain provinces as follows:
 P.E.I.: by the addition of "and from the tax levied under The Health Act, Chapter 13, Statutes of Prince Edward Island, 1941"
 Que.: "(iv) from any taxes on malt or native wines, any gallonage tax and the Unemployment Tax as levied by Section 31 of the Alcoholic Liquor Act, Chapter 255, Revised Statutes of Quebec, 1941, but not from any sales tax imposed by the Province or its municipalities."
 Sask.: by the addition of "but not from the Education Tax levied under the provisions of the Education Tax Act, Chapter 55, Revised Statutes of Saskatchewan, 1940;"

(13) P.E.I.	\$ 1,530.00	Man.	\$ 18,335.00
N.S.	61,660.04	Sask.	93,221.25
N.B.	30,099.00	Alta.	57,705.50
Que.	150,182.59	B.C.	78,420.45
Ont.	191,277.50		

(14) P.E.I.	\$ 8,811.84	Man.	\$321,370.42
N.S.	339,081.59	Sask.	465,342.96
N.B.	256,398.77	Alta.	434,012.42
Que.	1,795,813.63	B.C.	567,743.87
Ont.	1,569,833.84		

(15) P.E.I.—the words "or for payments under, etc." are omitted.
 N.S. —the Superannuation Act, Chapter 14, Revised Statutes of Nova Scotia, 1923
 N.B. —the Public Service Superannuation Fund, Chapter 17, Statutes of New Brunswick, 1931.
 Que. —the Pension Act, Chapter 13, Revised Statutes of Quebec, 1941.
 Ont. —to the Ontario Public Service Superannuation Fund.
 Man. —The Manitoba Civil Service Superannuation Act, Chapter 35, Revised Statutes of Manitoba, 1940.
 Sask. —the Public Service Superannuation Act, Chapter 9, Revised Statutes of Saskatchewan, 1940.
 Alta. —the Superannuation Act, Chapter 8, Revised Statutes of Alberta, 1922.
 B.C. —the Civil Service Superannuation Act, Chapter 274, Revised Statutes of British Columbia, 1936.

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